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ABSTRACT

As part of a report by the Economic Development Division of the Economic Research Service, U.S. Department of Agriculture, to the 1st session of the 92nd Congress, the socioeconomic conditions and trends of rural America in the 70's are described by way of statistical compilation of data. The report highlights the problems of rural people according to where they live in contrast to where others live. The document presents the material in 5 categories: Population, Income and Employment, Health and Education, Housing, and Government Services and Facilities. "Each of these sections is introduced by an overview statement on the subject matter included. The tables and charts are accompanied by a brief narrative on the particular set of figures presented." (EL)

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THE ECONOMIC AND SOCIAL CONDITION OF RURAL AMERICA IN THE 1970's

PREPARED BY:

ECONOMIC DEVELOPMENT DIVISION
ECONOMIC RESEARCH SERVICE
U.S. DEPARTMENT OF AGRICULTURE

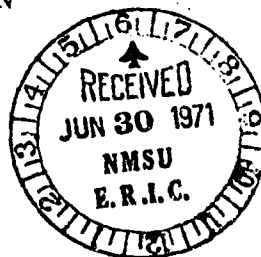
FOR THE

COMMITTEE ON GOVERNMENT
OPERATIONS
UNITED STATES SENATE
NINETY-SECOND CONGRESS
FIRST SESSION

Part 1



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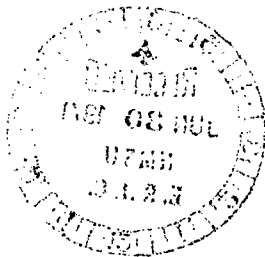
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FOREWORD

The committee is pleased to present this study, which was prepared for its use by the Economic Research Service of the Department of Agriculture. The information was requested in connection with the committee's hearings on S. 10, a bill to revitalize rural and other economically distressed areas.

This study—the first of a series and the first of its kind—is an overview of the economic and social conditions of rural America. It marshals relevant statistics to demonstrate existing problems, highlights trends, and facilitates a better understanding of the needs in these areas. The study contains five categories—population; income and employment; health and education; housing; and government services and facilities—which graphically compare rural regions with our metropolitan centers.

The statistical data indicates that large segments of rural America are underdeveloped pockets within our highly industrialized economy. It underscores the compelling need for action to correct the economic and social imbalance between rural and urban communities.

The factual material on income, education, and employment tells its own story—indicating that the standard of living in rural America is far below the national average. The committee looks forward to further studies from the Economic Research Service. These will build upon this informational base and explore existing trends and alternative policies for the future.

The committee is indebted to the Department of Agriculture for compiling this information and particularly grateful to Mrs. Helen W. Johnson, Dr. Lynn M. Daft, Dr. William C. Motes, Mr. Calvin Beale, and Dr. Lindley E. Juers for their help.

JOHN L. McCLELLAN,
Chairman, Committee on Government Operations.

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LETTER OF TRANSMITTAL

U.S. DEPARTMENT OF AGRICULTURE,
ECONOMIC RESEARCH SERVICE,
Washington, D.C., May 3, 1971.

HON. JOHN R. MCCLELLAN,
Chairman, Committee on Government Operations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your letter of March 18, 1971, to Secretary Hardin and subsequent discussions with your staff, I am hereby transmitting a descriptive report of the economic and social condition of rural America.

I trust this information will be helpful to the work of your Committee on Government Operations. We will be submitting the other studies you requested as they are completed.

Sincerely,

M. L. UPCHURCH, *Administrator.*

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INTRODUCTION

What Is Rural America?

This document is designed to describe the economic and social conditions and trends of rural America. It is a statistical compilation even though it is recognized that statistics do not do full justice to human characteristics. It highlights the problems of rural people according to where they live, and in contrast to where others live.

The concept of rural America is widely used and understood, but in fact is not precise. It has different meanings when viewed philosophically, historically, and statistically. In general, the problems characteristic of rural Americans are found in the areas which lie outside of metropolitan centers. Problems of availability of data sometimes dictate that rural and urban designations be used in place of metropolitan-nonmetropolitan. Neither of these concepts is discrete nor easy to apply statistically.

The rural population, as defined by the Bureau of the Census, includes persons living in the open country or in towns of less than 2,500 people. It is subdivided into the rural farm population which comprises all rural residents living on farms, and the rural non-farm population which includes the remaining rural population. The urban population comprises all persons living in urbanized areas and in places of 2,500 or more outside of urbanized areas.

The concept of urbanized areas was adopted by the Bureau of the Census in 1950 to provide a better separation of urban and rural population near the larger cities. An urbanized area contains at least one city of 50,000 population (or twin central cities with a combined population of at least 50,000), and may be thought of as divided into the central city, or cities, and the remainder of the area, or the urban fringe.

The metropolitan-nonmetropolitan residence categories are based on delineations of standard metropolitan statistical areas. SMSA's, or metropolitan areas, contain centers of 50,000 population or more. Non-SMSA's, or nonmetro areas, comprise the remainder. There are currently 243 standard metropolitan statistical areas in the United States.

These are broad definitions which do not explain many variations in their application. As population settlement and density patterns differ in and around cities and in outlying areas, arbitrary decisions are made about how to classify the resident population. People live in a variety of situations today that defy easy classification. For example, a subdivision of 50 homes and only 200 people, outside the boundaries of a small city (less than 50,000 population), but clearly

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INTRODUCTION

the outgrowth of that city, is treated as rural. A military installation out in the country, with thousands of men and hundreds of dependents, and containing streets, schools, stores, and other typical features of cities was previously classified as rural, but is now included in the urban population. Farms inside an incorporated area are also considered urban if the incorporated population is 2,500 or more.

In a sense, we are the slaves of the data available to us. The reader should be aware that narrow statistical definitions that remain largely constant over time can fail to capture the full significance of emerging situations. A neat compartmentalization of society into urban and rural, or even metro and nonmetro, categories can show differences and trends and is the best tool available, but it hides many complex degrees and variations in rural and urban America.

The data presented are 1970 data whenever possible, but in other cases, they are for the most current year available.

PRESENTATION OF THE DATA

The material in this document is presented in five categories: (I) Population; (II) Income and Employment; (III) Health and Education; (IV) Housing; and (V) Government Services and Facilities. Each of these sections is introduced by an overview statement on the subject matter included. The tables and charts are accompanied by a brief narrative on the particular set of figures presented.

The data are from the Economic Research Service and other sources, which are indicated in each case.

THE ECONOMIC AND SOCIAL CONDITION OF RURAL AMERICA IN THE 1970's

I. POPULATION

The principal characteristic of change in U.S. population since World War I has been urbanization. Urban growth from migration and natural increase has gone on apace. The rural sector has become predominantly nonfarm. Our population has become increasingly concentrated in the metropolitan land areas, while other large portions of the country have been partly emptied out.

The coastal areas of the United States continue to attract rural migrants, although at a lower rate than was true in the 1950's, while the Great Plains, intermountain and other areas are becoming more sparsely populated. Three States, two of them in the northern Great Plains, had a net loss in population between 1960 and 1970—North and South Dakota and West Virginia.

Although the rural population has remained at about the same level, 54 million, for the past five decades, the farm population has become a steadily smaller proportion of it. Three-fifths of the rural population was composed of farm people in 1920; by 1970, the portion was only one-fifth. Decline in agricultural employment has accounted for continuing outmigration of the farm population, especially where non-farm jobs have not filled the gap in farm employment.

The most significant, and continuous, migration over the past two decades has been from rural to urban areas. Even though the pace of this migration has slowed, the U.S. population is still highly mobile. Every year since the late 1940's, about one-fifth of the people have changed their residence.

2 ECONOMIC AND SOCIAL CONDITION OF RURAL AMERICA

Population of the United States, by Urban and Rural Residence, 1900-70

In the past five decades, while U.S. total population has increased from 106 million to 203 million, and urban population from 54 million to 149 million, the rural population has remained steady at just about 50 million. The farm sector of the rural population, however, has declined from 32 million in 1920, or three-fifths of the rural total, to fewer than 10 million, only one-fifth of the rural population.

Population of the United States by urban and rural residence, 1900-70

[In thousands]

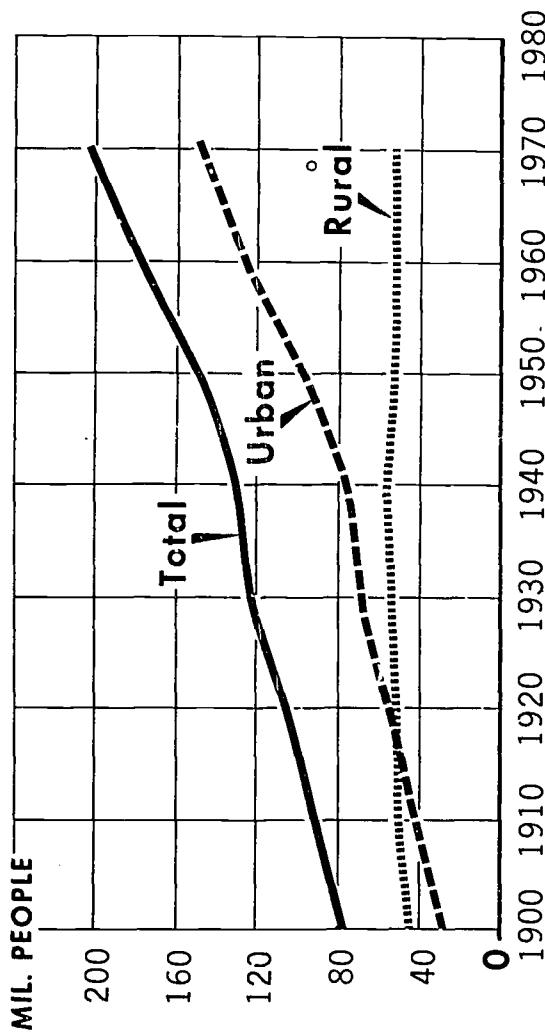
Year	Total	Urban	Rural
1900.....	76, 212	30, 215	45, 997
1910.....	92, 228	42, 064	50, 164
1920.....	106, 022	54, 253	51, 768
1930.....	123, 203	69, 161	54, 042
1940.....	132, 165	74, 705	57, 459
New definition: ¹			
1950.....	151, 326	96, 847	54, 479
1960.....	179, 323	125, 269	54, 045
1970 ²	203, 166	149, 281	53, 885

¹ Under the current definition, the urban population is comprised of all persons living in urbanized areas and in places of 2,500 inhabitants or more outside of urbanized areas. In previous years, the urban population was comprised of all persons living in incorporated places of 2,500 inhabitants or more. In both definitions, the population not classified as urban constitutes the rural population.

² Preliminary.

Source: U.S. Censuses of Population, 1960 and 1970.

POPULATION OF THE UNITED STATES BY URBAN AND RURAL RESIDENCE, 1900-70



DEFINITION CHANGED IN 1950 TO EXCLUDE SOME PEOPLE FORMERLY COUNTED AS RURAL POPULATION
SOURCE: U.S. DEPARTMENT OF COMMERCE

U.S. DEPARTMENT OF AGRICULTURE

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Farm Population and Migration, 1920-1969

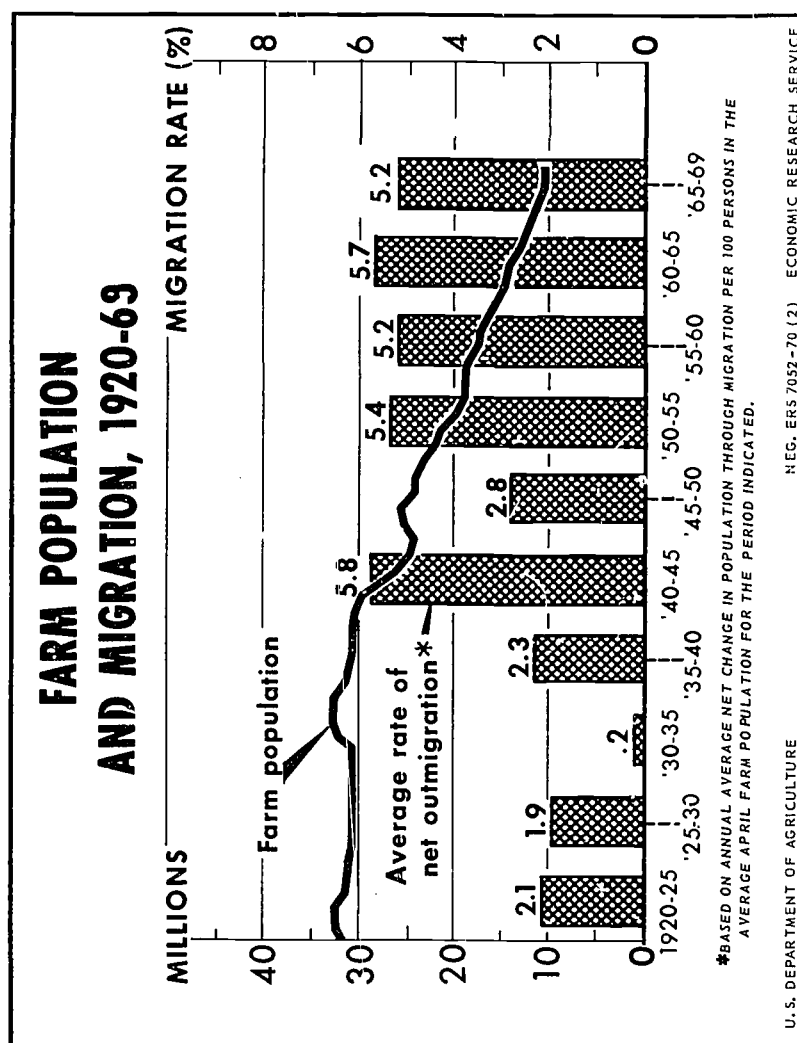
For the past three decades, except for the years 1945 to 1950, the average rate of net outmigration of the farm population has been above 5 percent.

Although the rate of outmigration has remained high, the number of outmigrants has declined from about 1 million per year in the 1950's to about 600,000 in the 1960's, due to the greatly reduced farm population base.

Farm population, 1920-1970

Year	Farm population (In thousands)	Percent of total U.S. population
1920.....	31,974	30.1
1925.....	31,190	27.0
1930.....	30,529	24.9
1935.....	32,161	25.3
1940.....	30,547	23.2
1945.....	24,420	17.5
1950.....	23,048	15.3
1955.....	19,078	11.6
1960.....	15,635	8.7
1965.....	12,363	6.4
1970.....	9,712	4.8

Source: Economic Research Service, U.S. Department of Agriculture.



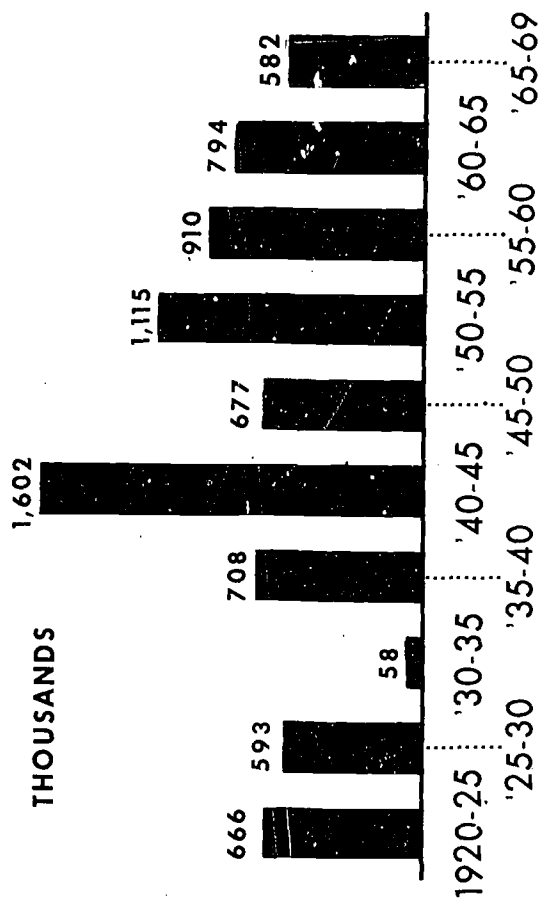
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Average Annual Net Outmigration From the Farm Population

Although the rate of movement of people away from farms has remained high, the number of people involved has dwindled as the size of the farm population has declined. For example, during World War II, an average of 1.6 million people left the farm population annually, compared with about 600,000 annually during the period 1965-69. Yet, with many more people living on farms at the time, the outmigration in 1940-45 amounted to less than 6 percent of the farm population annually. The much smaller numerical loss in very recent years has reflected a loss of more than 6 percent a year.

From the farm point of view, the propensity to migrate has been as high in recent years as ever. Because fewer people are involved, the impact on nonfarm areas of destination has lessened. And with only a third as many people on farms now as in the 1930's, the potential for further large-scale migration from farms is limited.

AVERAGE ANNUAL NET OUTMIGRATION* FROM THE FARM POPULATION



* NET CHANGE THROUGH MIGRATION AND RECLASSIFICATION OF RESIDENCE FROM FARM TO NONFARM.

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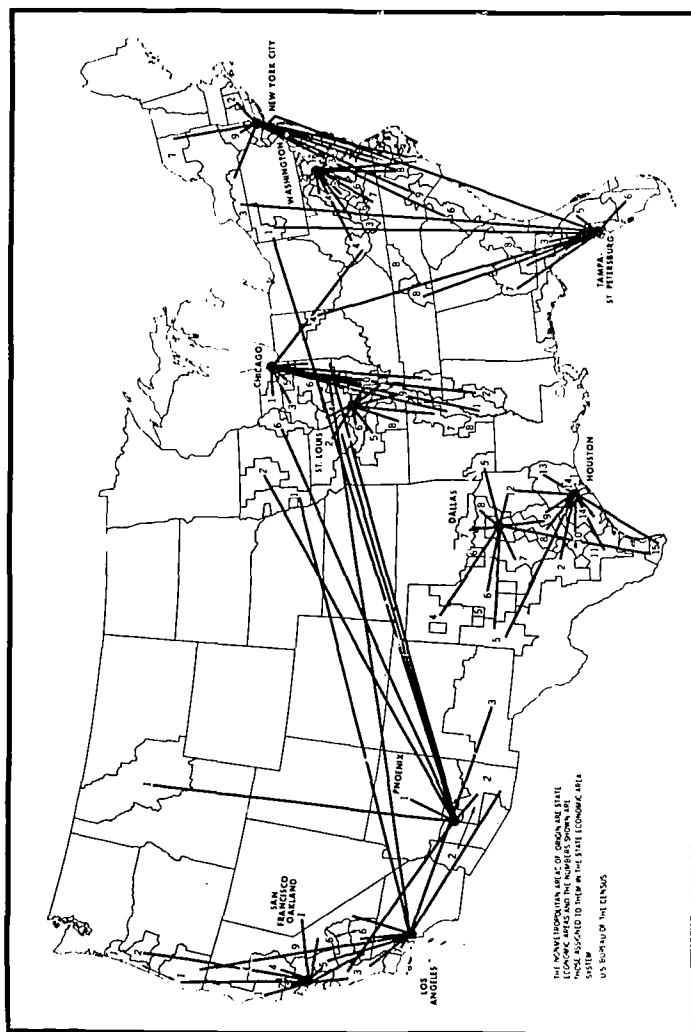
**Major Streams of Nonmetro Migration to Selected Metro Areas,
1955-60**

From 1955 to 1960, the 10 metropolitan areas that received the largest number of low-income migrants from nonmetropolitan areas were Chicago, Dallas, Houston, Los Angeles, New York City, Phoenix, St. Louis, San Francisco-Oakland, Tampa-St. Petersburg, and Washington. The accompanying map illustrates the fact that areas draw their migrants from different parts of the country.

Some areas, such as Dallas and Houston, primarily attracted migrants from within the same State. Cities such as Chicago and New York drew more heavily from regions other than their own, especially from the Lower South. Areas that attracted many migrants for retirement or because of climate, such as Phoenix and Tampa-St. Petersburg, drew people from very long distances.

There is some overlap, among the areas shown, in the sources of nonmetropolitan migrants. For example, Chicago and St. Louis drew from the Mississippi Delta, and New York and Washington attracted people from the North Carolina Coastal Plain. But, in general, the map makes clear that conditions impelling migrants out of a particular nonmetropolitan area are much more likely to have an impact on certain metropolitan areas than on others. Although this map reflects migration trends of 1955-60, it is believed that the same general pattern still prevails.

MAJOR STREAMS OF NONMETRO MIGRATION TO SELECTED METRO AREAS, 1955-1960
 (THE 10 LARGEST STREAMS OF NONMETRO MIGRATION TO THE 10 METRO AREAS RECEIVING THE LARGEST NUMBER OF NONMETRO
 LOW-INCOME MIGRANTS, 1955-60)



NEG. ERS 5547 (B) - 2 ECONOMIC RESEARCH SERVICE

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U.S. Population by Residence, Race, and Migration Status, 1967

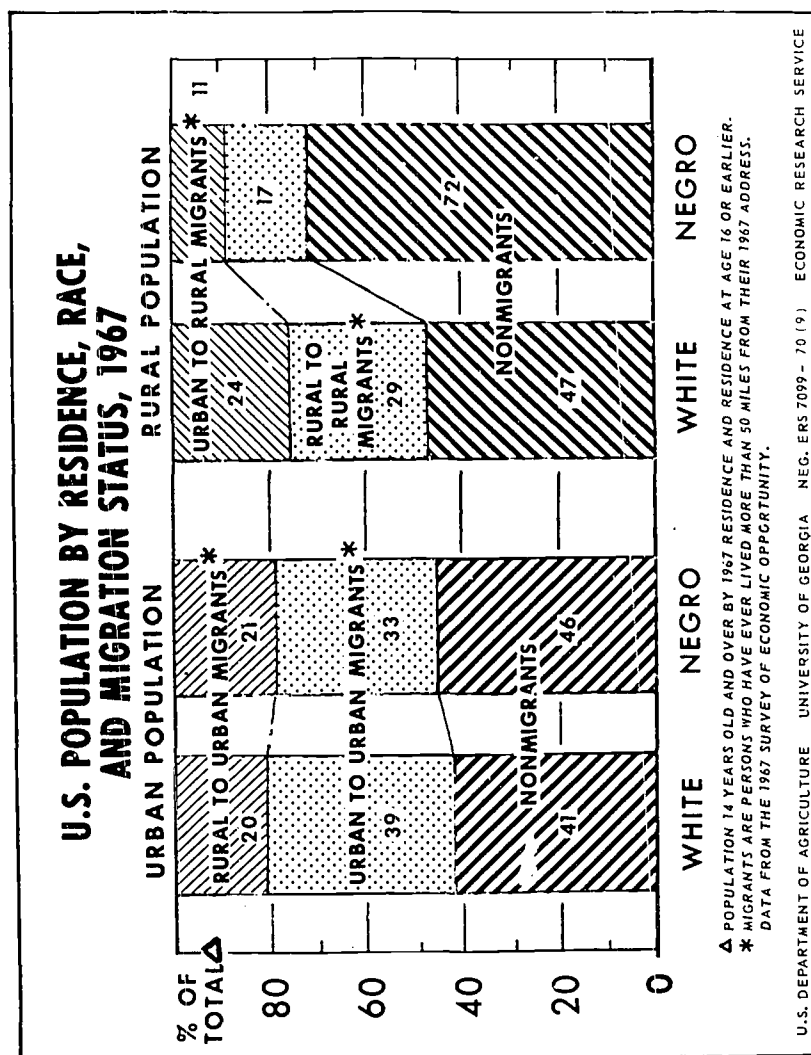
According to a study based on the Survey of Economic Opportunity, only one-fifth of the adult urban population, white and Negro, had come from rural areas.

Nearly half of the urban Negroes were nonmigrants, another one-third had moved within urban areas, leaving only about one-fifth who had migrated from rural to urban areas.

About one-fourth (24 percent) of the rural white population had come from urban areas; in the case of Negroes, the proportion was only about one-tenth (11 percent).

Data in the survey show that 46 percent of all Negro adults of rural childhood origin were living in urban places in 1967. The comparable figure for white was 39 percent. (Not shown on chart.)

In this study, migration refers to moves of at least 50 miles.



Population Mobility Rates

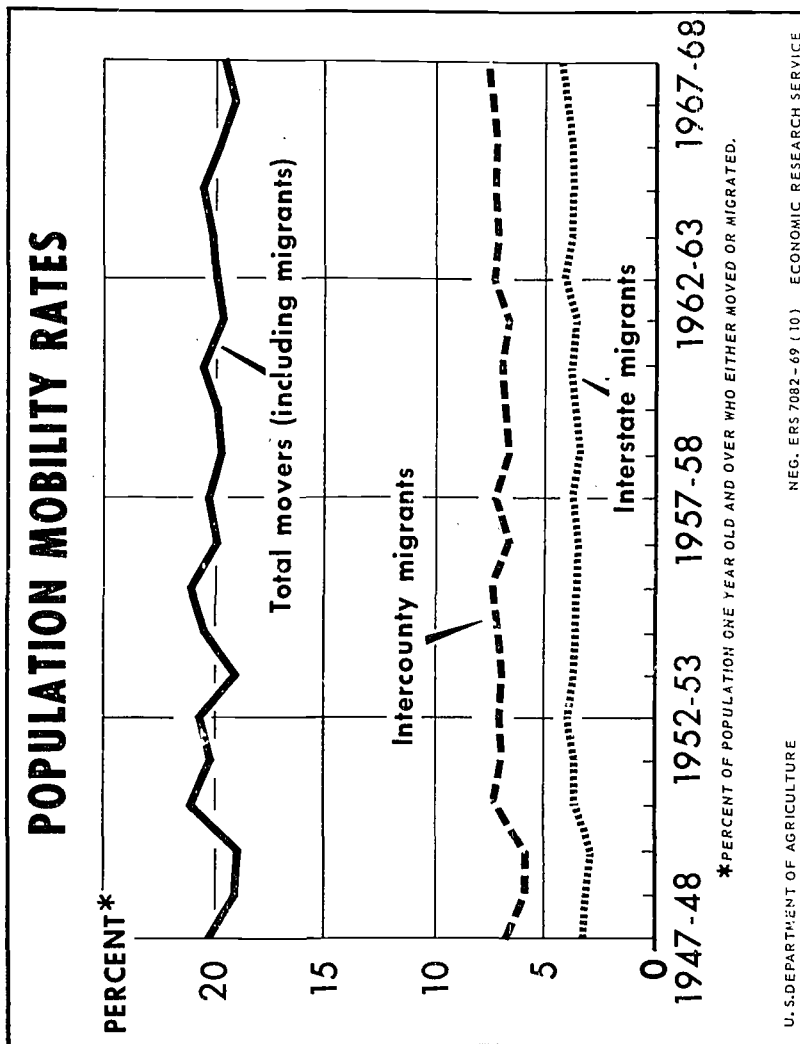
(1947-48 to 1967-68)

The rate at which Americans move—whether from one residence to another, one county to another, or one State to another—has been one of the most stable social processes in recent American history.

Each year since 1947, about 19 to 21 percent of the people have changed their house, apartment, or other place of residence. During these years, the level of the economy and the housing supply have varied, the marriage rate has fluctuated, periods of peace and war have alternated, sharp changes in agriculture have come and gone, and the pattern of racial integration and laws of equal access to housing have changed. But the overall frequency of movement has scarcely varied.

The proportion of people moving from one county to another has ranged between 6 and 8 percent a year. Of this group, somewhat more than half move far enough to cross a State boundary.

A high rate of mobility from one residence to another is a characteristic feature of our society, and, indeed, of all open societies. It is not the overall level of movement and migration that has created the problems popularly associated with migration in recent years, but rather the circumstances and directions of the particular moves and the people who have made them.



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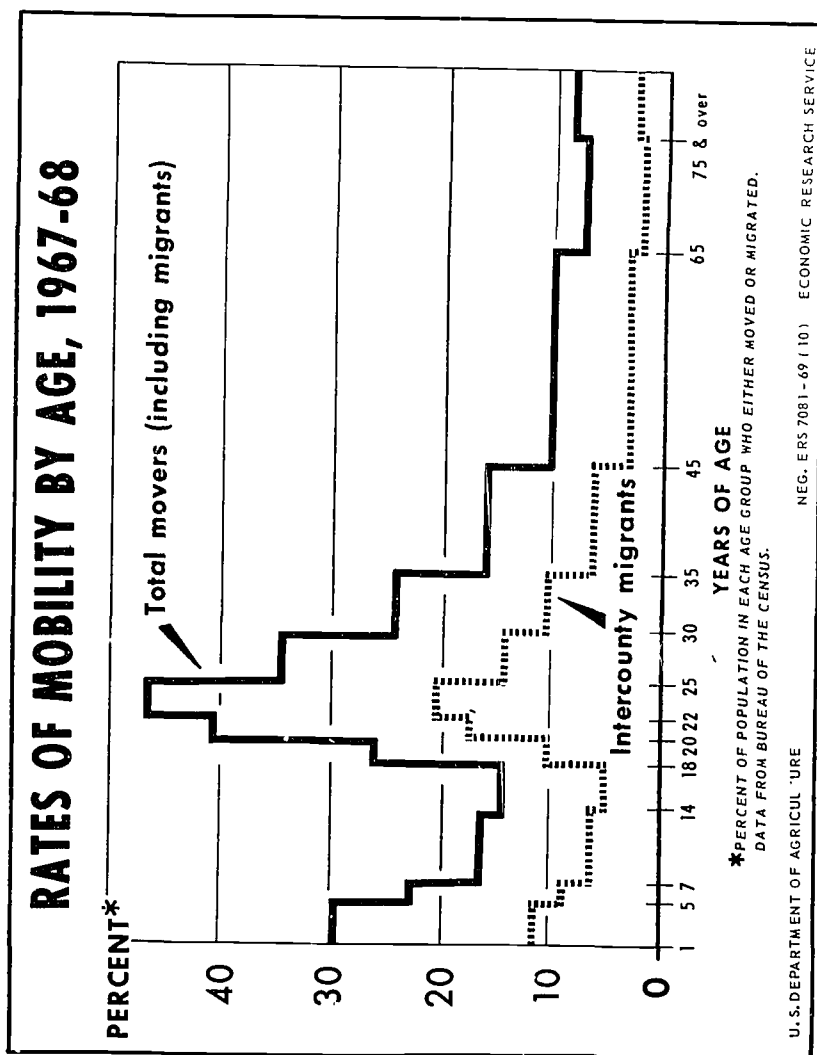
Rates of Mobility by Age, 1967-68

No personal, social, or economic characteristic is so highly correlated with movement and migration as is age of the individual.

Whereas about 19 to 21 percent of all people move each year, at 22 to 24 years of age—when people are leaving college, getting married, having their first children, or starting career jobs—the rate reaches about 47 percent a year. It is also over 40 percent for young adults 20 to 21 years old. After the middle twenties, the frequency of movement diminishes with age until age 65 and over, when only 7 to 9 percent of the people move annually.

The same age pattern applies to intercounty migrants, whose moves typically take them to a different community, or in many cases, a different State. At the peak age of migration, 22 to 24 years, a fifth of the population migrates annually. By middle age, the rate declines to just 3 percent.

The movements of children generally correspond to the stage in the life cycle of their parents. Very young children are frequent movers, but teenagers still of school age are only half as likely as preschool children to move.



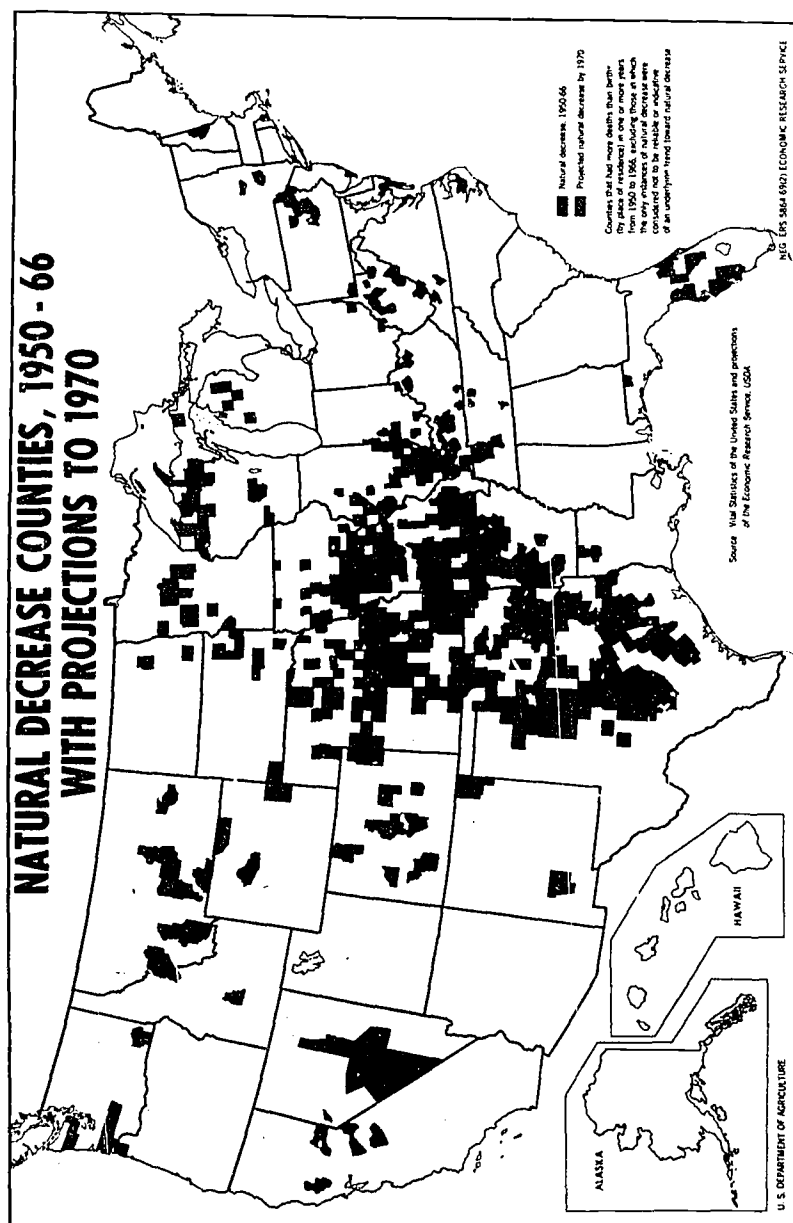
Natural Decrease Counties, 1950-66, With Projections to 1970

A natural decrease in population, when more deaths than births occur, has been rare in America. In 1967, however, there were more deaths than births in about 345 counties. In 1960, there were only 38 such counties, and in 1950, just two.

In most cases, this unusual condition has been caused by prolonged and heavy outmigration of young adults from agricultural or mining counties. The remaining young families of childbearing age produced a normal number of children per family, but they have been too few to offset deaths occurring among the much larger older population. In a minority of areas, the excess of deaths has been due solely to the existence of retirement communities, such as in Florida.

Most counties now experiencing a natural decrease in population, because of the severity of past outmigration, are in the center of the country. In sizable contiguous groups of counties in Missouri, Kansas, Nebraska, Texas, and Illinois, there have been fewer births than deaths.

It is expected that 1970 data will show that more than 500 counties have had a natural decrease in population. This is more a startling symbol of distortion of the normal age composition than it is a problem in itself. But it usually reflects conditions in which great difficulty is being experienced in obtaining new sources of employment or in retaining the present population level.



Small Towns Studied

Preliminary evidence in a study of incorporated places under 2,500 population in the United States for the two decades, 1940-60, indicates that towns in this size class have shown considerable stability. Some 80 to 90 percent of them were in the same size group at the end of each decade as at the beginning. Where shifts occurred in size category, they were generally to a larger town size.

Factors which appear to be operating in the shift of small to larger size of towns are initial size and location relative to a larger center. While many small towns have died or become disincorporated, those of larger size in the beginning of the decade (1,000 to 2,500) and those near a larger center have grown. Some have become commuter towns, some provide specialized shopping, and many are retirement communities, as indicated by the disproportionate share of older residents.

As 1970 census data become available on incorporated places under 2,500 population, they will be added to the ongoing analysis of small towns. It is expected that preliminary findings will be available in the fall of 1971.

Balance sheet for number of incorporated places under 2,500, United States 1940-60

	1940-50		1950-60	
	Under 1,000	1,000 to 2,500	Under 1,000	1,000 to 2,500
Places at beginning of decade.....	10,099	3,203	9,836	3,416
Gain:				
Growth from smaller.....		679		655
Decline from larger.....	112	29	159	53
New places.....	502	132	734	167
Loss:				
Growth to larger.....	710	506	723	606
Decline to smaller.....		109		152
Dropouts.....	167	12	136	18
Places at end of decade.....	9,836	3,416	9,870	3,515
Net change.....	-263	213	34	99
Percent places at beginning of decade in class at end.....	91	80	91	77

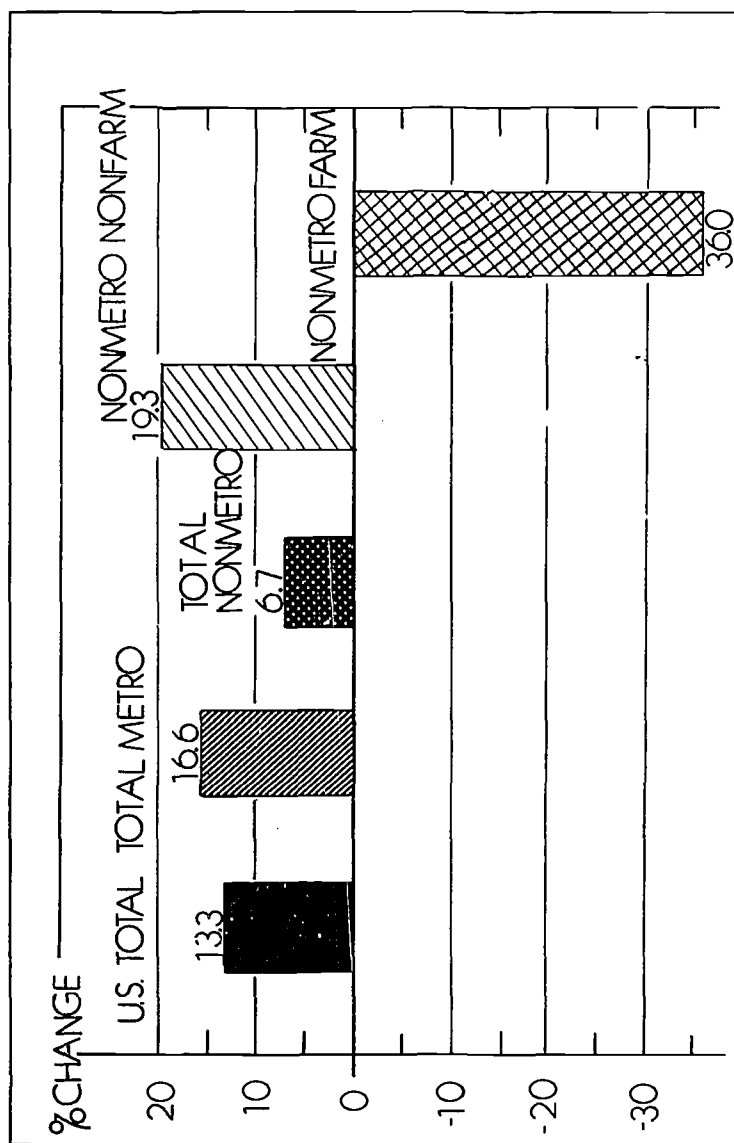
Source: Rural Sociology Department, University of Wisconsin.

U.S. Population Change, 1960-70

From 1960-70, the nonmetropolitan counties of the country grew in population by 6.7 percent, while the metro counties were gaining by 16.6 percent. Since the rates of natural increase in these areas are rather similar, it is clear that the nonmetro areas were unable to retain all their potential growth and exported a sizable number of people to the metro areas . . . a net of about 2.4 million outmigrants.

If the farm population, with its pronounced downward trend, is subtracted from the total nonmetro population, then one finds that the nonfarm nonmetro population—which comprises the great majority of all nonmetro people—rose by 19 percent in the 1960's. This is a rate of growth exceeding not only the national average, but even the metropolitan average. The heavy decline of farm population has tended to mask the rapid growth of the nonfarm segment of the rural and small city population.

POPULATION CHANGE, 1960-70

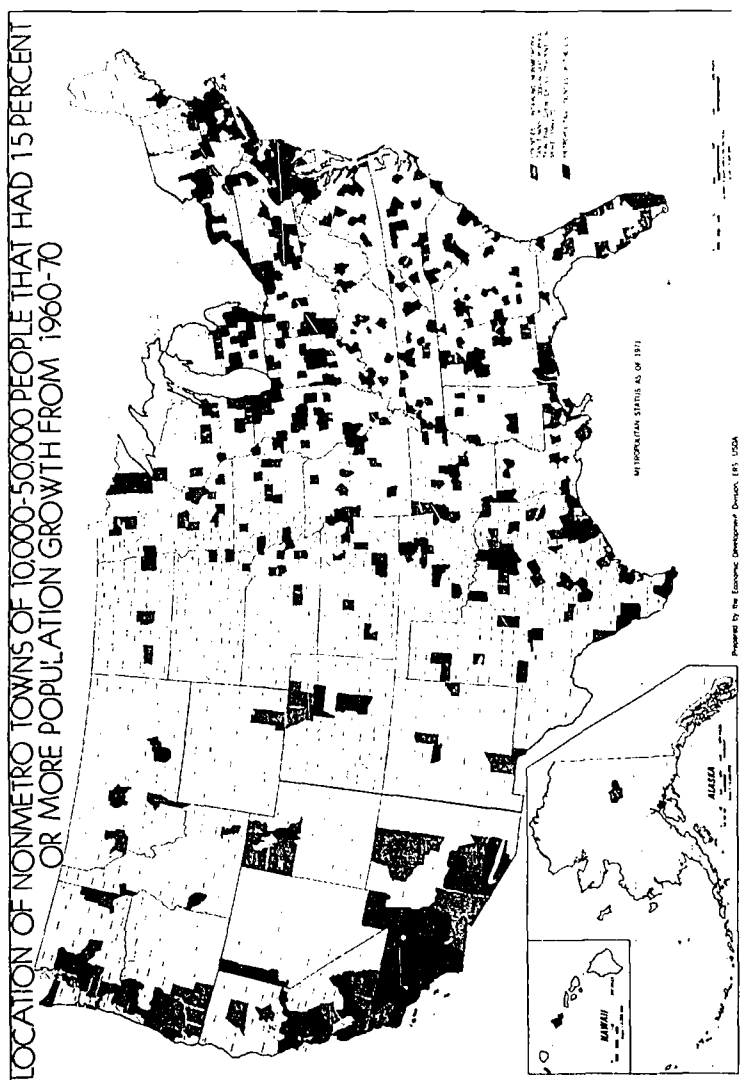


SOURCE: BUREAU OF THE CENSUS

Prepared by the Economic Research Service, USDA

Rapidly Growing Places in Nonmetropolitan America

In the 1960's, about 200 nonmetro towns of 10,000 to 50,000 population grew by 15 percent or more; that is, at a rate clearly above the national average of 13 percent, thus implying net immigration. About half of these places are located in the South. Two features that characterize many of them are the presence of a State college or university and their location on an interstate highway.



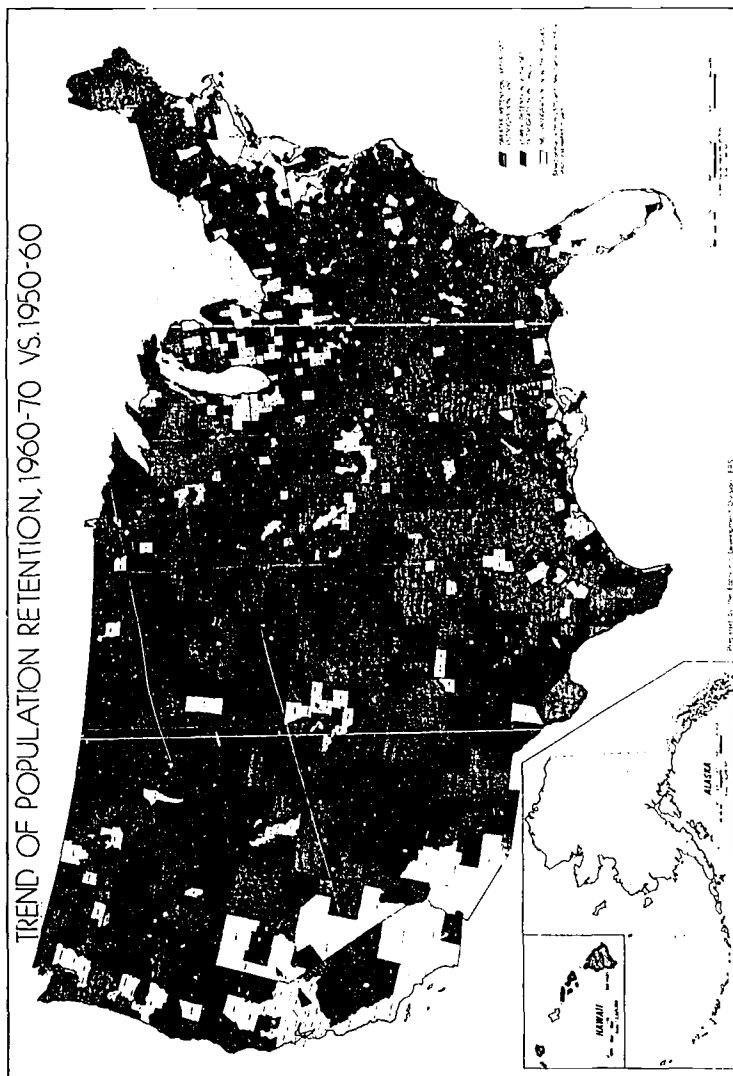
Trends in Population Retention

During the 1960's, some counties showed: (1) decidedly improved population retention; (2) a deterioration in their ability to hold people; and (3) a continuation of their previous growth patterns.

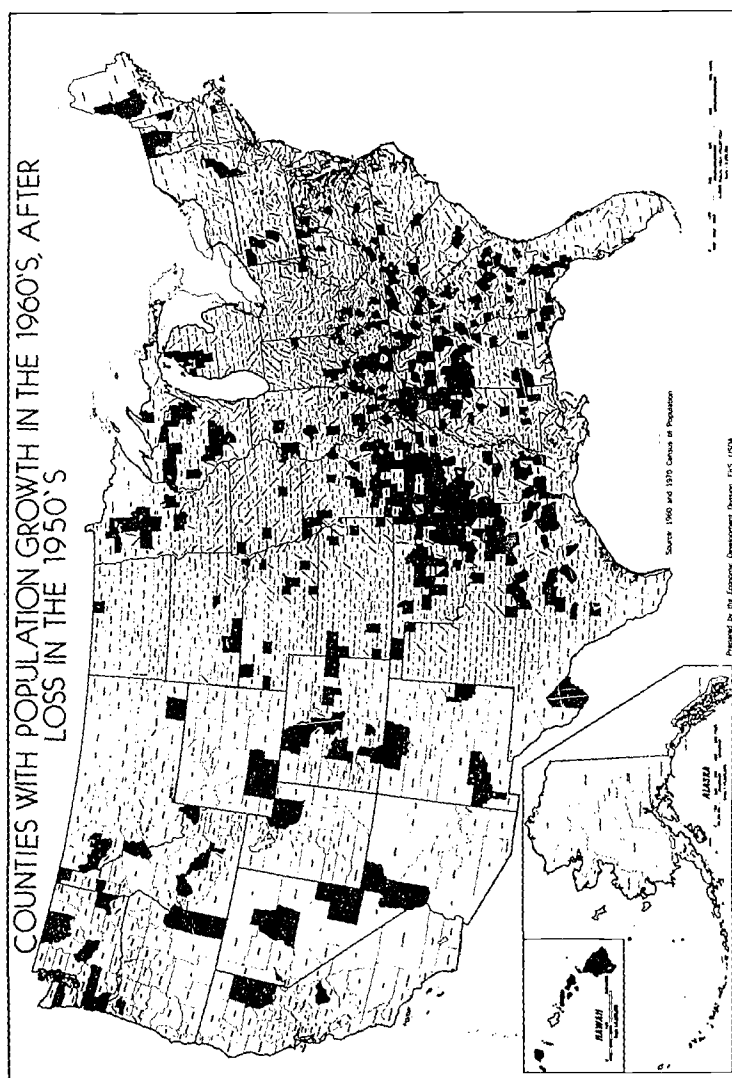
The counties lightly shaded on map A, are those which had inadequate population retention ability in the 1950's but improved ability in the 1960's. In nearly 500 of these counties (shown separately on map B), the extent of the 1960-70 population growth was dramatic enough to cause a shift from population loss to gain. This occurred mostly in the upland parts of the South. In particular, there has been a remarkable recovery in a large area of northern and western Arkansas and eastern Oklahoma, where outmigration was very severe in the preceding 20 years. The lower Tennessee Valley was another area of previously unimpressive socioeconomic status that moved to a position of population growth in the 1960's.

The darkly shaded counties on Map A, are those of inadequate and declining population retention ability. Almost 300 of these counties (shown separately on map C) lost population in the 1960's after having gained in the 1950's. There were seven contiguous States, stretching from Idaho through the Northern Plains to Minnesota and Iowa, in which a majority of all counties had net outmigration or decline and a deteriorating ability to retain population.

MAP A

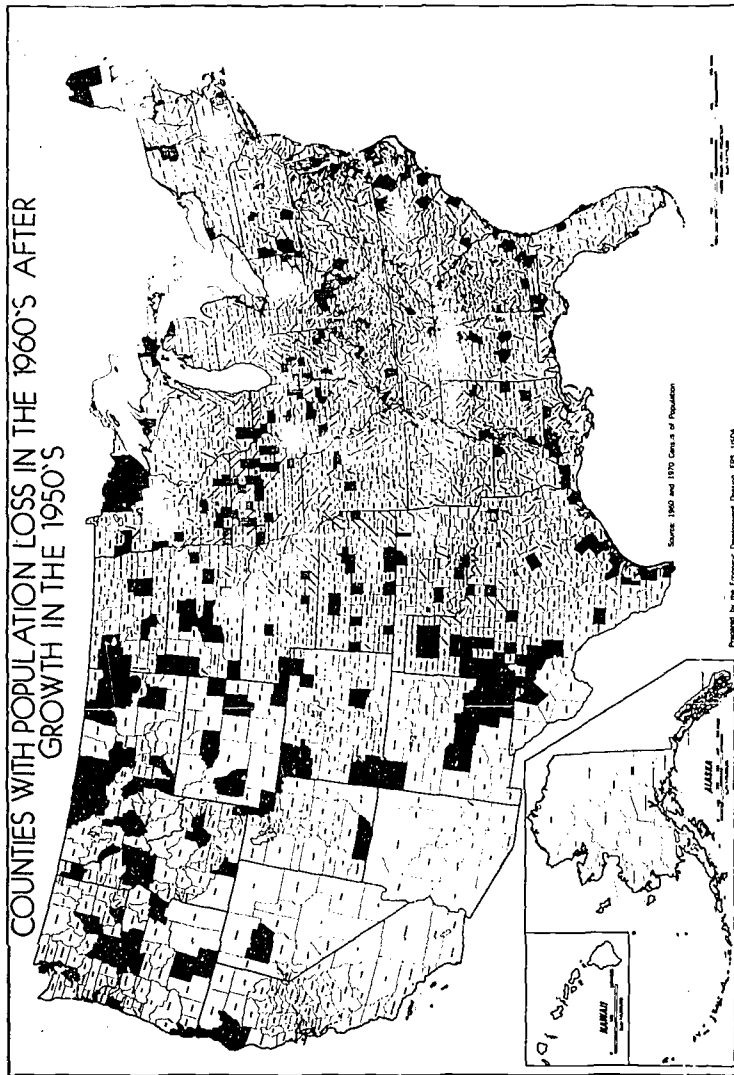


MAP B



MAP C

COUNTIES WITH POPULATION LOSS IN THE 1960'S AFTER
GROWTH IN THE 1950'S



The Distribution of Population Trends During the 1960's and 1950's

About 1,350 counties had such heavy outmigration during the 1960's that they declined in population. However, this is an improvement over the 1950's when 1,500 counties decreased. For both periods, the losing counties were overwhelmingly rural in character. The declining counties are heavily concentrated in the Great Plains and Corn Belt, the heart of Appalachia, and sections of the Southern Coastal Plains. The great majority of rural counties in the Northeast, and East North-Central States and the Far West, gained in both the 1950's and 1960's.

38

PO



75

39

POPULATION CHANGE, 1960-7

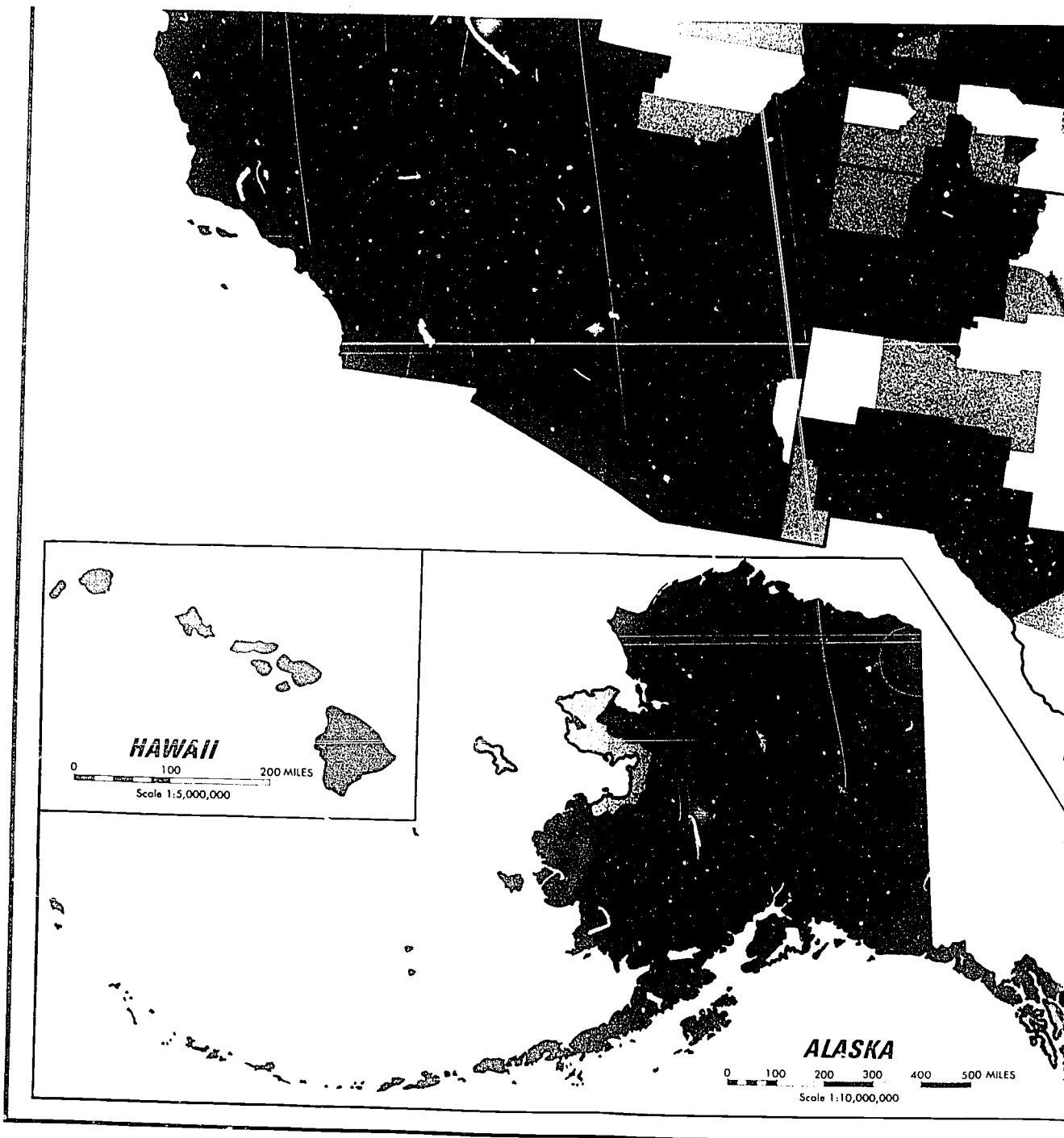


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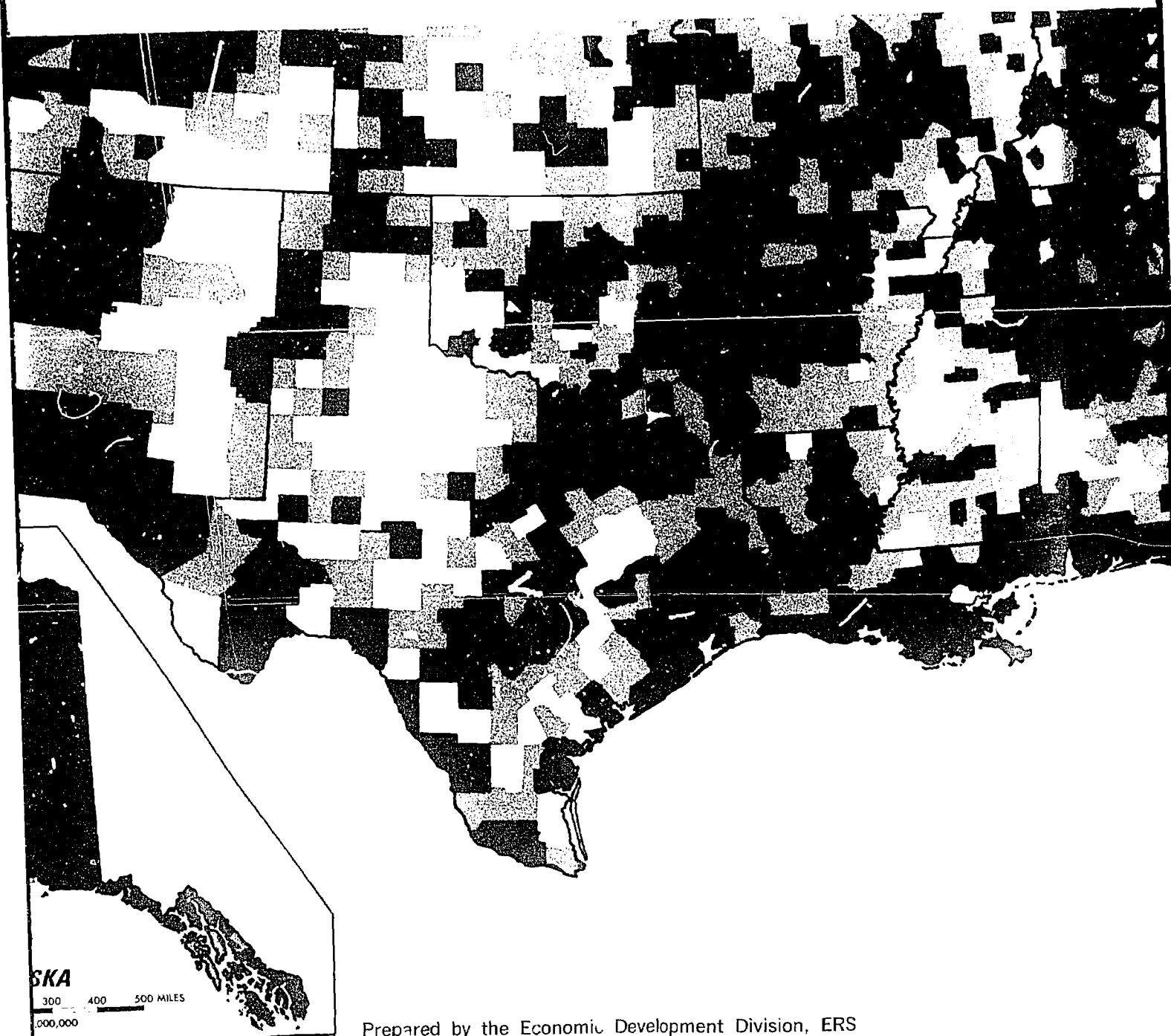
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960-70

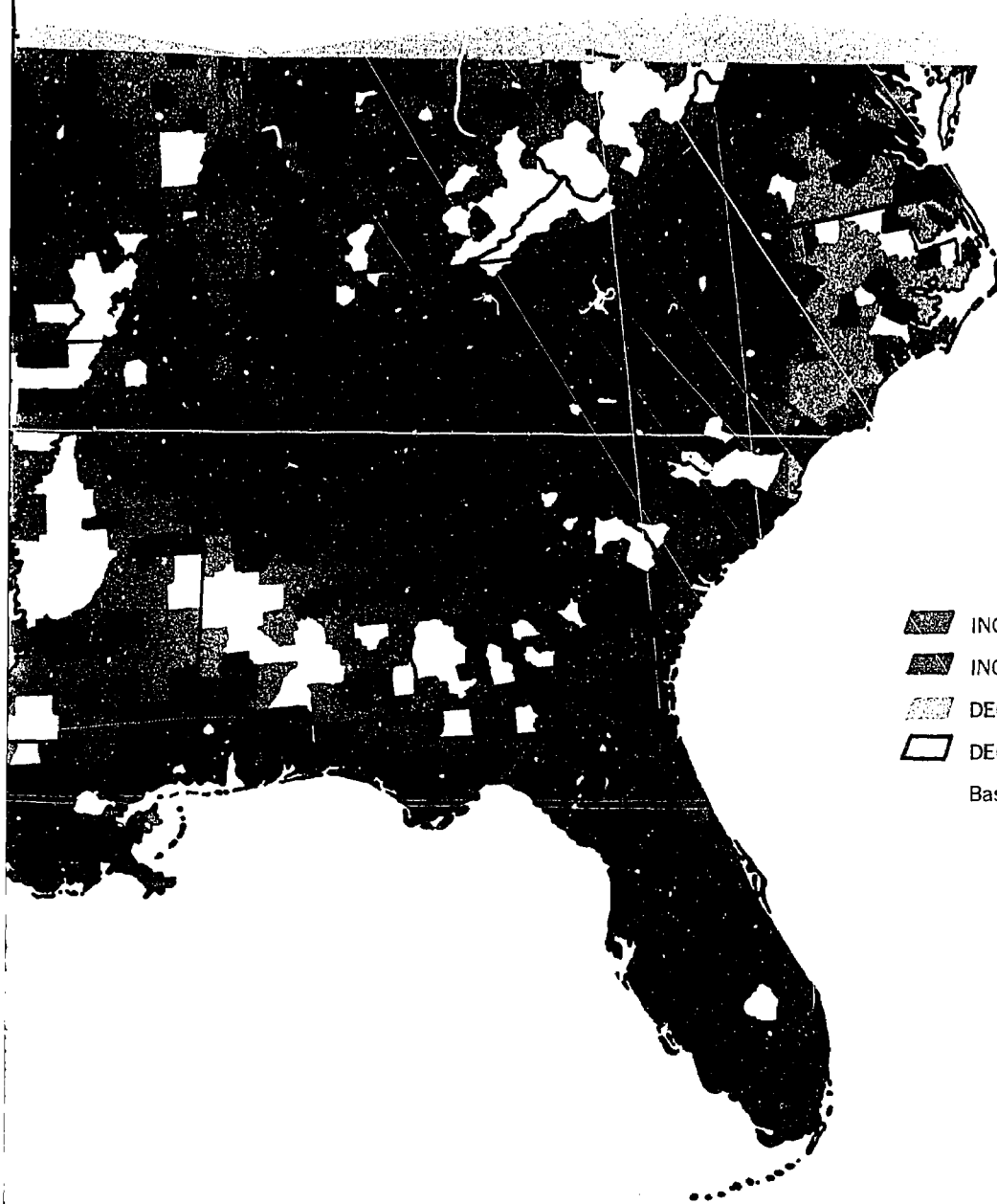








A1



Prepared by the Economic Development Division, ERS



-  INCREASE OF 10% OR MORE
-  INCREASE OF LESS THAN 10%
-  DECREASE OF LESS THAN 10%
-  DECREASE OF 10% OR MORE

Based on Returns of the 1970 Census

0 100 200 300 400 500 MILES

ALBERS EQUAL AREA PROJECTION
Scale 1:5,000,000

44

44

POPU

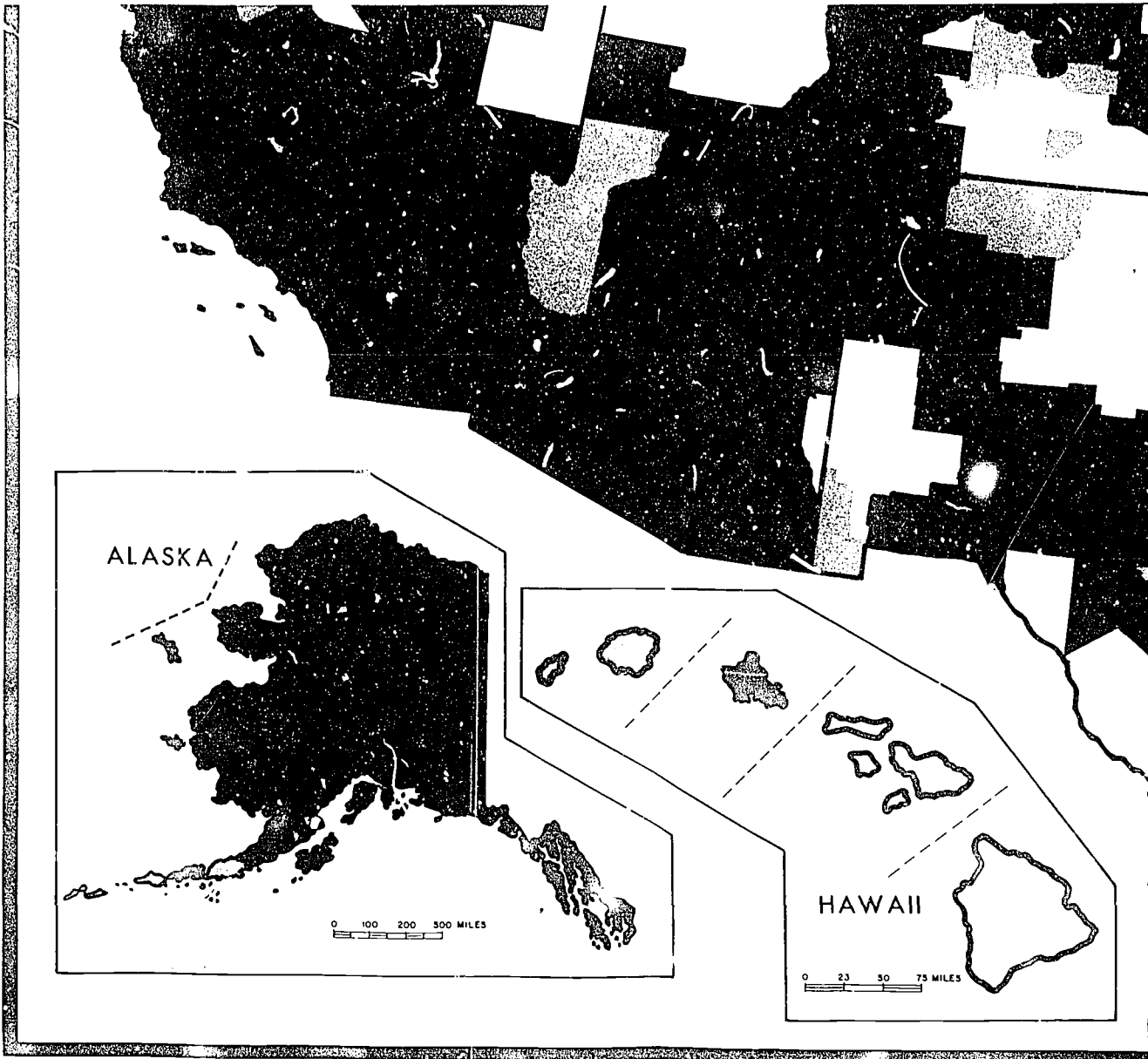
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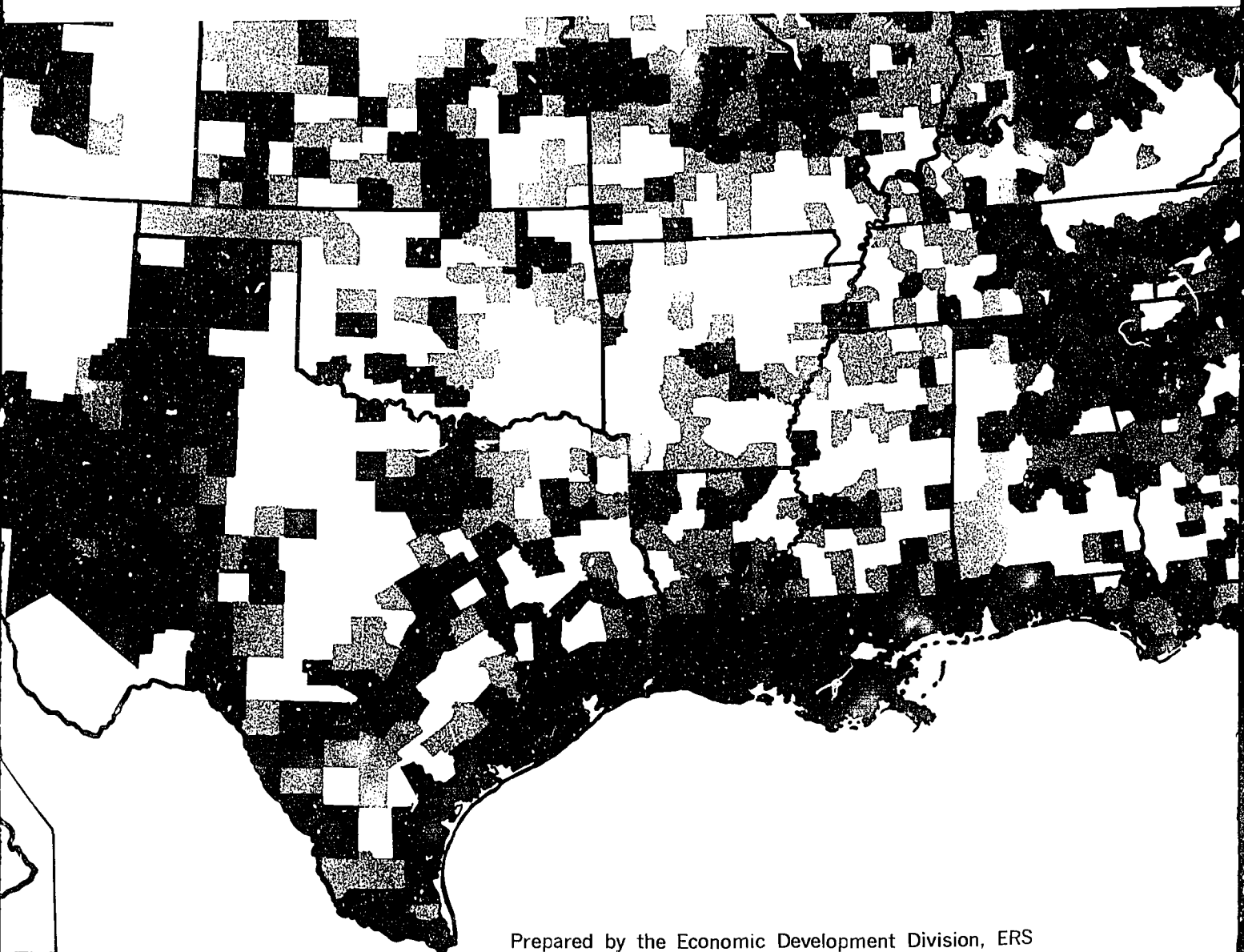
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50-60

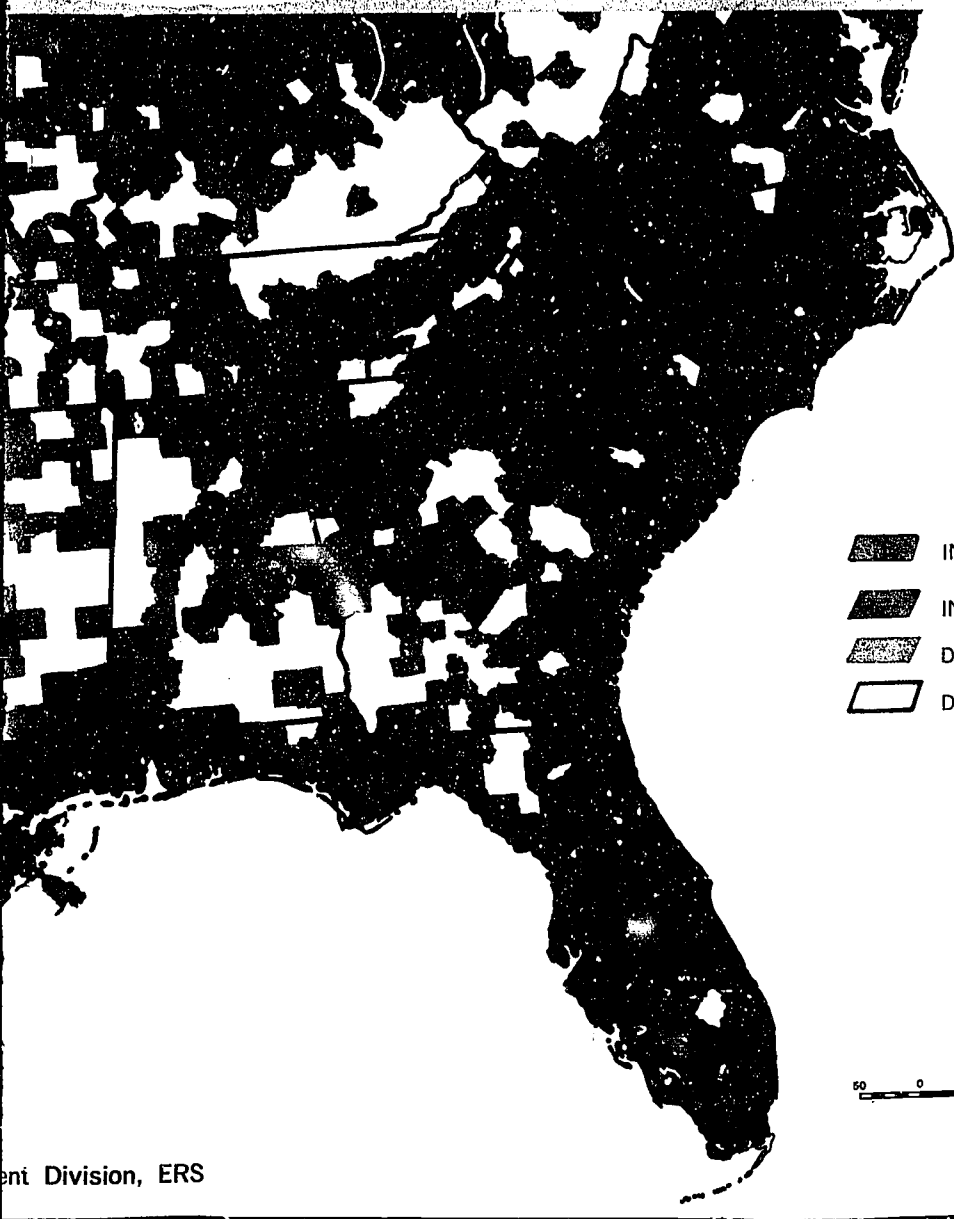








47



Prepared by the Economic Development Division, ERS



-  INCREASE OF 10% OR MORE
-  INCREASE OF LESS THAN 10%
-  DECREASE OF LESS THAN 10%
-  DECREASE OF 10% OR MORE

SCALE 1: 7,500,000
APPROXIMATELY 118 MILES TO 1 INCH

50 0 50 100 150 200 250 300 MILES

ent Division, ERS

II. INCOME AND EMPLOYMENT

Along with increased urbanization of the population, there is a continuing rural-urban disparity in income and economic activity. Although per capita income in nonmetropolitan areas has been rising at a faster rate than in metro areas for the past 40 years, the percentage gain has not been fast enough to narrow the gap between metro and nonmetro incomes. In fact, the dollar gap has widened over the years. Nonmetro personal income, which increased at an average rate of 7.4 percent per year, compared with 5.9 percent metro, would have had to grow at the rate of 8.5 percent per year for this 40-year period to have closed the gap.

Improvement in personal income varied among the regions of the United States. The most striking percentage advance was in the Southeast where the level of per capita income was lowest. The Southeast had the top income growth rate in the country in the 1959-68 period, greatly stimulated by increased employment in manufacturing and in government—Federal, State, and local.

The greatest acceleration in the growth rate of nonmetro income, however, was in the Plains, rising from a rate of change of 2.9 in the 1950's to 6.2 in the 1960's. Recovery in farm income from the low level of 1959 and large gains in manufacturing earnings accounted for the accelerated rate of the 1960's in non-SMSA's in this region. In the Southwest, Rocky Mountain, and Far West regions, nonmetro income growth continued to lag, while in the other regions, the metro-nonmetro growth rates continued to show almost no differential during 1959-68.

In spite of improvement in nonmetro income in the 1960's the generally lower level of income in nonmetro than metro areas has produced a disproportionate extent of poverty among families outside metro areas. In a national farm-nonfarm comparison, the percentage of farm families below the poverty level has remained consistently much higher than among nonfarm families. Similarly, the percentage in poverty outside metro areas continues higher than the percentage within.

To understand the relative income disadvantage in nonmetro areas, it is useful to consider the sources of that income. Agriculture represents a substantial component of nonmetro personal income, about 10 percent in 1959, only half as important a source of income as in 1950. However, manufacturing was the most significant industrial source of income in both metro and nonmetro areas in the 1960's.

Although nonmetropolitan counties had a smaller share of U.S. employment in each of seven industries in 1970 than in 1960, the gains made in three industries which obtained a larger share of U.S. employment revealed a significant nonmetro competitive performance. The most important industry boosting nonmetro employment was manufacturing, which grew much faster than in the Nation as a whole, and more than twice as fast as in metro areas. Contributing to this growth were: a blue-collar labor force, lower land values, and special tax incentives offered by small communities.

Per Capita Personal Income by Metropolitan Residence

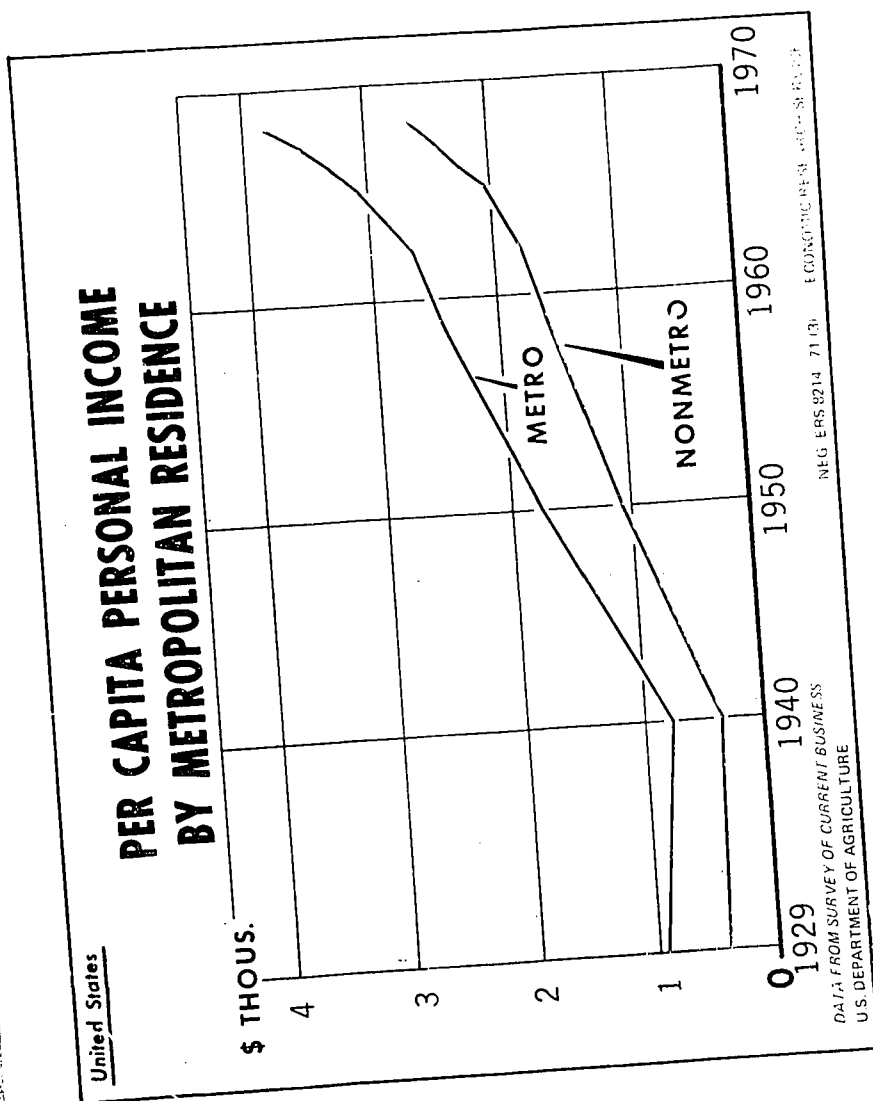
Per capita personal income in nonmetropolitan areas has been rising at an average rate of 7.4 percent per year during the past four decades. In metro areas, the gain per year has been 5.9 percent. Despite the faster gain in nonmetro personal income, the rate has not been high enough to close the metro-nonmetro gap. An 8.5 percent per year increase in rural income would have been necessary to have closed the gap.

Improvement in nonmetro per capita income is largely a reflection of progress in the Southeast, which accounts for more than one-fourth of all nonmetro income. In this region, where the general level of income is lowest, per capita income increased significantly in both the 1950's and 1960's.

Per capita personal income by metropolitan status, United States, 1929-68

Year	Metropolitan counties	Nonmetropolitan counties
1929	\$928	\$402
1940	762	353
1950	1,745	1,088
1959	2,418	1,603
1962	2,658	1,791
1965	3,080	2,017
1966	3,296	2,281
1967	3,517	2,419
1968	3,811	2,614

Source: Survey of Current Business, May 1970.



Average Annual Rates of Change in Personal Income, Metro-Nonmetro, by Regions, 1950-59 and 1959-68

It will be seen in the accompanying table that the rates of change in personal income varied among the regions of the country in relation to the national average and in metro-nonmetro comparisons.

It might also be pointed out that the direct effect of the decline in farm income in the earlier period on metro-nonmetro earnings can be seen by comparing total earnings and nonfarm earnings in the two types of areas. In the 1950-59 period, the percentage change in total earnings in metro areas was 76 percent and in nonmetro areas, 49 percent. Nonfarm earnings, on the other hand were 78 percent change in metro areas and 71 percent in nonmetro areas.

Average annual rates of change in personal income, metropolitan-nonmetropolitan, by regions, 1960-69 and 1969-68

Region	1960-69		1969-68	
	Metropolitan	Nonmetropolitan	Metropolitan	Nonmetropolitan
United States.....	6.5	5.8	6.7	6.6
New England.....	5.6	5.6	6.5	6.5
Mideast.....	5.6	5.3	6.2	6.4
Great Lakes.....	5.9	5.0	6.3	6.5
Plains.....	6.3	2.9	6.3	6.2
Southeast.....	7.5	5.0	7.6	7.6
Southwest.....	7.4	4.9	7.6	5.6
Rocky Mountain.....	8.0	4.3	6.8	4.8
Far West.....	8.3	5.0	7.3	5.9

(Compound annual growth rates from initial to terminal year).

Source: Data from Survey of Current Business, May 1970.

*States included in Office of Business Economics' regions**New England.*—Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut.*Mideast.*—New York, New Jersey, Pennsylvania, Delaware, Maryland, and District of Columbia.*Great Lakes.*—Michigan, Ohio, Indiana, Illinois, and Wisconsin.*Plains.*—Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas.*Southeast.*—Virginia, West Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Arkansas.*Southwest.*—Oklahoma, Texas, New Mexico, and Arizona.*Rocky Mountain.*—Montana, Idaho, Wyoming, Colorado, and Utah.*Far West.*—Washington, Oregon, Nevada, California, Alaska, and Hawaii.

Personal Income of the Farm Population (1960-70)

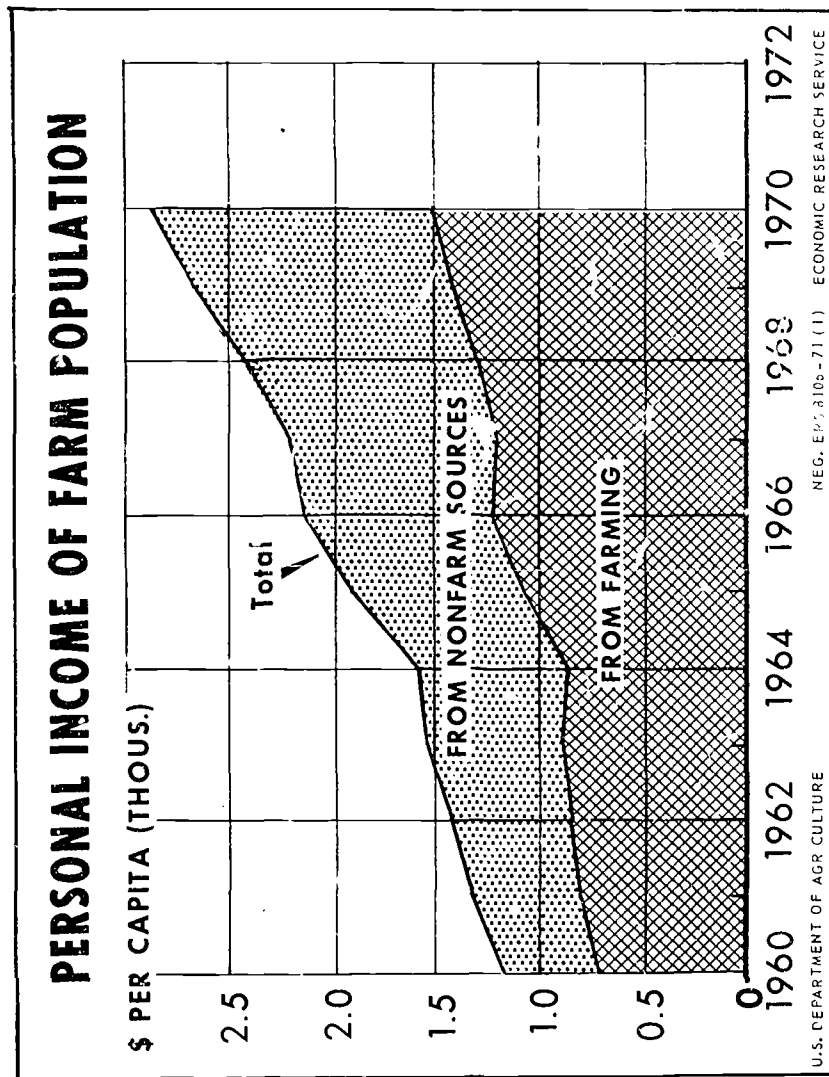
During the 1960's, the per capita personal income of the farm population from all sources more than doubled.

The proportion of total income from nonfarm sources, during this period, has grown steadily larger. In 1960, income from nonfarm sources was only 38 percent of the total; by 1970, the proportion was 48 percent.

Per capita personal income of farm population, 1960-70

Year	From farm sources	From nonfarm sources	From all sources	Percent nonfarm is of total income
1960.....	\$737	\$458	\$1, 195	38
1962.....	856	573	1, 429	40
1964.....	875	718	1, 593	45
1966.....	1, 243	903	2, 146	42
1968.....	1, 295	1, 131	2, 426	47
1969.....	1, 430	1, 240	2, 670	46
1970.....	1, 503	1, 369	2, 872	48

Source: Farm Income Situation, FIS 216, Economic Research Service, July 1970, Table 7 II, p. 50.



Income Per Farm Operator Family by Major Source and by Value of Sales Classes, 1969

In 1969, the average income per farm operator was about equally divided between realized net income from farming and off-farm income. For operators in the \$40,000 and over sales class, the portion of total income from off-farm sources was only 17 percent; for those in the sales class of less than \$2,500, however, the share of total income from off-farm sources was 87 percent.

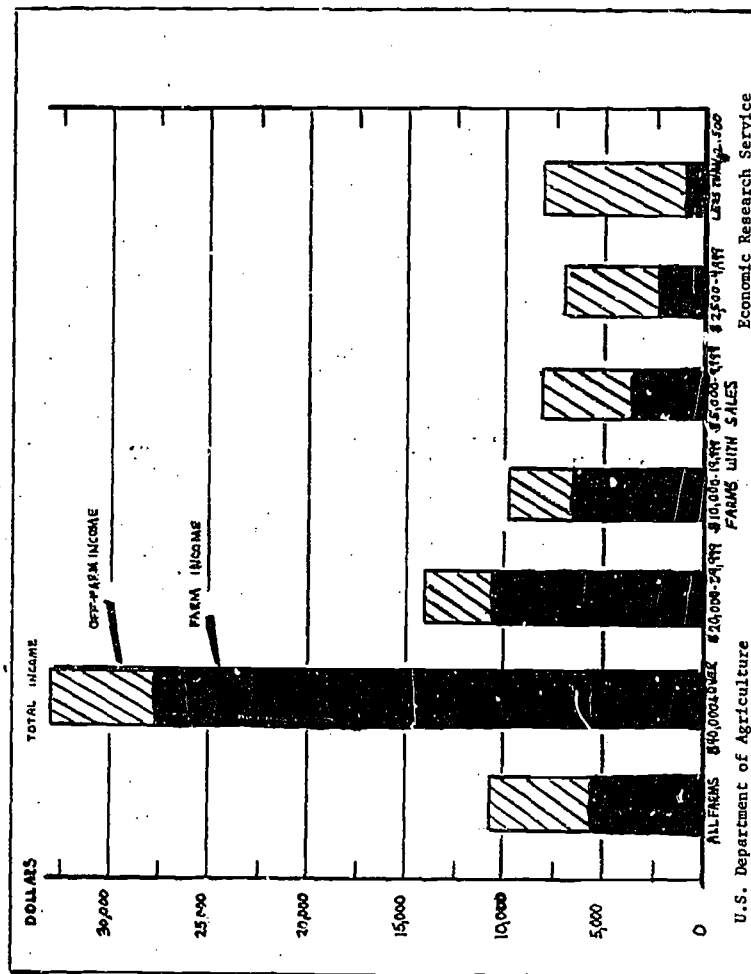
Income per farm operator family by major source and by value of sales classes, 1969

Value of products sold	Realized net farm income ¹	Off-farm income	Total income including non-money income from farm food and housing ¹	Percent off-farm income is of total income
All farms-----	\$5, 437	\$5, 256	\$10, 693	49
\$40,000 and over----	27, 503	5, 464	32, 967	17
\$20,000 to \$39,999----	10, 466	3, 241	13, 707	24
\$10,000 to \$19,999----	6, 481	3, 141	9, 622	33
\$5,000 to \$9,999----	3, 630	4, 488	8, 118	55
\$2,500 to \$4,999----	2, 122	4, 895	7, 017	70
Less than \$2,500----	1, 082	7, 011	8, 093	87

¹ Includes Government payments.

Source: Farm Income Situation, FIS 216, Economic Research Service, July 1970, Table 5 D, p. 72.

FARM AND OFF-FARM INCOME, 1969



Number of Farms by Value of Sales Classes, 1960-69

The number of farms in the United States has declined from nearly 4 million in 1960 to about 3 million in 1969.

Nearly half (47 percent) of the farms in 1960 were in the sales class of less than \$2,500; by 1969, the proportion was two-fifths. At the other end of the scale, farms with sales of \$40,000 and over rose from 3 percent in 1960 to 7 percent in 1969.

Number of farms by value of sales classes, 1960-69

Year	Farms with sales—						All farms
	\$40,000 and over	\$20,000 to \$39,999	\$10,000 to \$19,999	\$5,000 to \$9,999	\$2,500 to \$4,999	Less than \$2,500	
Thousands of farms							
1960.....	113	227	497	660	617	1,848	3,962
1961.....	123	239	494	625	576	1,764	3,821
1962.....	135	254	493	590	534	1,679	3,685
1963.....	144	267	491	558	496	1,605	3,561
1964.....	146	268	482	533	469	1,544	3,442
1965.....	160	287	487	502	430	1,474	3,340
1966.....	184	320	502	464	377	1,392	3,239
1967.....	182	317	491	447	361	1,348	3,146
1968.....	193	331	494	420	328	1,288	3,054
1969.....	211	357	505	389	286	1,223	2,971
Percentage distribution							
1960.....	2.9	5.7	12.5	16.7	15.6	46.6	100.0
1961.....	3.2	6.3	12.9	16.4	15.1	46.1	100.0
1962.....	3.7	6.9	13.4	16.0	14.5	45.5	100.0
1963.....	4.0	7.5	13.8	15.7	13.9	45.1	100.0
1964.....	4.2	7.8	14.0	15.5	13.6	44.9	100.0
1965.....	4.8	8.6	14.6	15.0	12.9	44.1	100.0
1966.....	5.7	9.9	15.5	14.3	11.6	43.0	100.0
1967.....	5.8	10.1	15.6	14.2	11.5	42.8	100.0
1968.....	6.3	10.8	16.2	13.8	10.7	42.2	100.0
1969.....	7.1	12.0	17.0	13.1	9.6	41.2	100.0

Source: Farm Income Situation, FIS 216, Economic Research Service, U.S. Department of Agriculture, July 1970, Table 1D, p. 68.

**Number of Commercial Farms, and Average Farm Size and Value,
by Farm Production Regions, March 1, 1964 and 1969**

The number of commercial farms in 48 States declined from 1.8 million in 1964 to 1.6 million in 1969, while the size of farms rose from an average of 507 acres in 1964 to 554 acres in 1969.

This downward trend in number of farms prevailed in all farm production regions except Appalachia, where there was no change. Farm size increased in all regions during these 5 years.

The average value of land and buildings went up in all regions except the Lake States which experienced a precipitate decline.

Number of commercial farms, and average farm size and value, by farm production regions, Mar. 1, 1964 and 1969¹

Region	Commercial farms					
	Number of farms (thousands)		Farm size (acres)		Value per farm (thousands) ²	
	1964	1969	1964	1969	1964	1969
Northeast.....	140	115	204	223	\$48	\$72
Lake States.....	245	223	226	245	414	59
Corn Belt.....	456	413	253	275	71	105
Northern Plains.....	223	198	779	881	72	107
Appalachian.....	228	228	179	182	36	48
Southeast.....	114	111	369	374	67	90
Delta States.....	88	81	342	392	66	112
Southern Plains.....	138	111	1,105	1,306	121	180
Mountain.....	91	80	2,352	2,621	129	189
Pacific.....	92	72	737	929	213	331
48 States.....	1,815	1,631	507	554	74	107

¹ Commercial farms refer here to farms with annual gross sales of \$2,500 or more (economic classes I-V). Estimates for 1969 projected from 1964 census of agriculture.

² Average value of land and buildings.

Source: Economic Tables, Economic Research Service, U.S. Department of Agriculture, January 1971, p. 37.

**Farms—Number, by Size, 1940 to 1964, and Percent Distribution
of Number of Farms, 1964**

Over the years, from 1940 to 1964, the total number of farms has declined from 6 to 3 million.

In the size class up to 260 acres, the number of farms has become smaller. In the case of the largest farms, however, 260 acres and over, the number has generally increased during this period.

Farms—Number, by size, 1940 to 1964, and percent distribution of number of farms 1964

[In thousands]

Size of farm (acres)	1940	1950	1954	1959	1964	1964 per- cent dis- tribution
Under 10.....	509	489	484	244	183	5.8
10 to 49.....	1,782	1,480	1,213	813	637	20.2
50 to 99.....	1,291	1,048	864	658	542	17.2
100 to 179.....	1,310	1,103	953	773	633	20.1
180 to 259.....	486	487	464	414	355	11.3
260 to 499.....	459	478	482	472	451	14.3
500 to 999.....	164	182	192	200	210	6.6
1,000 to 1,999.....	} 101	121	130	79	85	2.7
2,000 and over.....				57	60	1.9
Total.....	6,102	5,388	4,782	3,711	3,158	100.0

Source: Department of Commerce, Bureau of the Census; U.S. Census of Agriculture: 1964, vol. II.

Earnings by Industrial Sources Where Earned, 1968

Agriculture is an important source of income in nonmetropolitan areas, with farming comprising more than 10 percent of total earnings. Nevertheless, manufacturing was the most important industrial source of income in both metro and nonmetro areas.

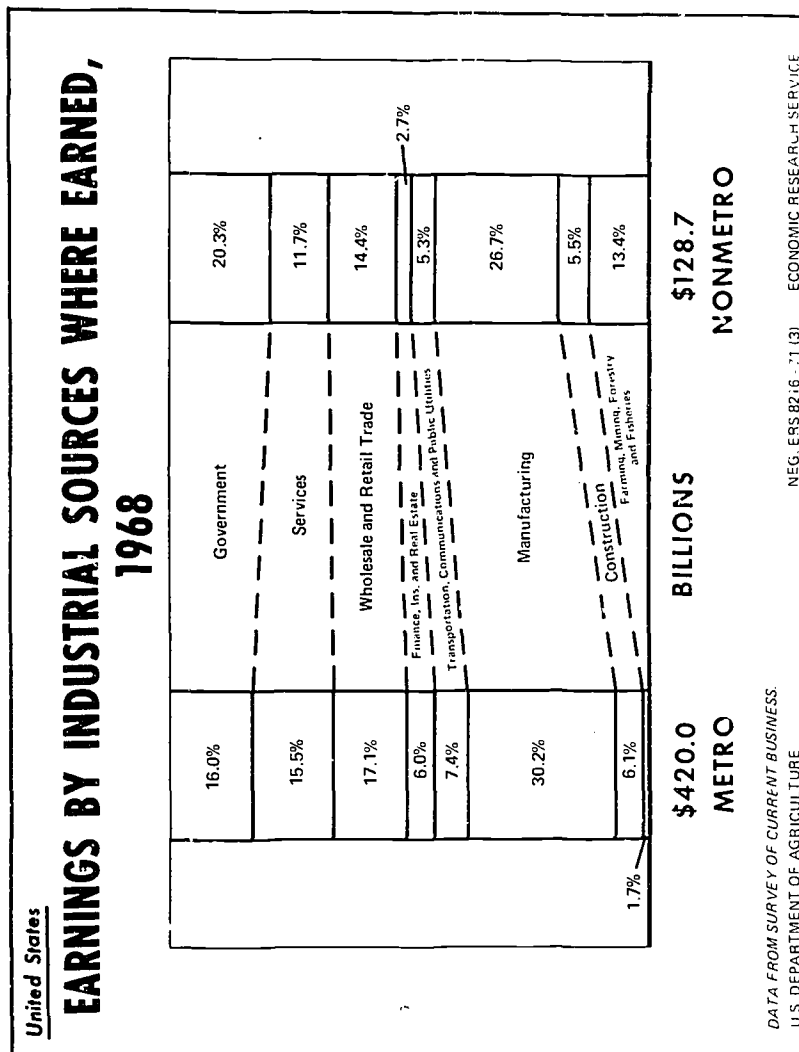
In addition to manufacturing, metro areas exceeded nonmetro in their shares of earnings from construction, transportation, wholesale and retail trade, finance, insurance, and real estate, as well as various services. On the other hand, nonmetro areas obtained a larger percent of total earnings from government services than did metro areas (20 percent nonmetro, 16 percent metro).

Earnings by industrial sources where earned, metro and nonmetro, 1968

[Dollars in millions]

Industry sector	Sources of earnings			
	Metro		Nonmetro	
	Dollars	Percent of total	Dollars	Percent of total
Manufacturing.....	126,804	30.2	34,380	26.7
Wholesale and retail trade.....	71,696	17.1	18,502	14.4
Government.....	67,137	16.0	26,162	20.3
Services.....	65,021	15.5	14,993	11.7
Construction.....	25,711	6.1	7,101	5.5
Transportation, communications, and public utilities.....	31,336	7.4	6,827	5.3
Finance, insurance, and real estate.....	25,233	6.0	3,501	2.7
Farming, mining, forestry, and fisheries.....	6,501	1.7	16,488	13.4
Total.....	419,982	100.0	128,661	100.0

Source: Survey of Current Business, May 1970.



Persons Below Poverty Level, by Family Status, 1959-70

Although the total number of persons in farm families below the poverty level is smaller than in nonfarm families, the percentage of persons in farm families in poverty remains about twice as high as nonfarm.

Poverty level, as used here, is based on a modified Social Security Administration definition adopted by a Federal interagency committee in 1969. The definition of poverty takes into account a range of income adjusted by such factors as family size, sex of the family head, number of children under 18 years old, and farm-nonfarm residence. For example, the weighted average threshold at the poverty level in 1969 for a nonfarm family of four was \$3,743 and for a farm family of four, \$3,195.

Reversing a 10-year decline in numbers of people in poverty, the most recent figures released by the Census Bureau reveal an increase of 1.2 million persons considered to be poor. The increase occurred from the beginning of 1969 to the end of 1970, bringing the total number in poverty to 25.5 million people, or 13 percent of the U.S. population.

The average annual decline in poverty numbers during the 1960's was 4.9 percent. Between 1969 and 1970, however, the number increased by 5.1 percent.

The weighted average threshold at the poverty level in 1970 for a nonfarm family of four was \$3,968 and for a farm family, \$3,385.

Persons below poverty level, by family status, 1959-70

Year	Persons in families						Unrelated Individuals 14 years and over
	All persons	Family head		Family members			
		Total	Total	Nonfarm	Farm	under 18 years	
Total:							
1959	39,450	34,562	8,320	6,625	1,696	17,208	4,928
1960	39,851	34,925	8,243	6,649	1,594	17,228	4,926
1961	39,628	34,509	8,391	7,044	1,347	16,577	5,119
1962	38,625	33,623	8,077	7,004	1,073	16,630	5,002
1963	36,436	31,498	7,554	6,467	1,087	15,691	4,938
1964	36,055	30,912	7,160	6,058	1,102	15,736	5,143
1965	33,185	28,358	6,721	5,841	880	14,388	4,827
1966	28,510	23,809	5,724	5,211	513	12,146	4,701
1967	27,769	22,771	5,667	5,093	574	11,427	4,998
1968	25,389	20,695	5,047	4,553	494	10,739	4,694
1969	24,289	19,438	4,950	4,522	428	9,821	4,851
1970	25,522	20,499	5,214	4,778	436	10,493	5,023
Percent below poverty level							
Total:							
1959	22.1	20.8	18.5	16.1	44.6	26.9	46.1
1960	22.2	20.7	18.1	15.8	45.7	26.5	45.2
1961	21.9	20.3	18.1	16.4	38.6	25.2	45.9
1962	21.0	19.4	17.2	16.0	33.5	24.7	43.4
1963	19.5	17.9	15.9	14.6	35.1	22.8	44.2
1964	19.0	17.4	15.0	13.5	35.6	22.7	42.7
1965	17.3	15.8	13.9	12.9	29.8	20.7	39.8
1966	14.7	13.1	11.8	11.3	20.6	17.4	38.3
1967	14.2	12.5	11.4	10.8	21.4	16.3	38.1
1968	12.8	11.3	10.0	9.5	18.8	15.3	34.0
1969	12.2	10.5	9.7	9.3	17.4	14.1	33.6
1970	12.6	11.0	10.0	9.6	18.6	15.0	32.7

Sources: 1959 through 1969, *Manpower Report of the President, April 19, 1971*, table G-6, p. 322; 1970, *Current Population Reports, Consumer Income*, Series P-60, No. 77, May 7, 1971, Bureau of the Census, tables 1 and 6, pp. 2-3 and 6.

Persons by Poverty Status, by Type of Residence, 1969

The percentage of persons in poverty in nonmetropolitan areas was nearly twice as high in 1969 as those living in metropolitan areas.

For all races, the proportion of persons in poverty status in non-metro areas was also higher than in the central cities (17 percent non-metro; 13 percent central city).

In nonmetropolitan areas, more than half of the total Negro population was below the poverty level in 1969.

Persons by poverty status, by type of residence, 1969
[Number of persons in thousands]

Residence type	All races			White			Negro		
	Below poverty level			Below poverty level			Below poverty level		
	Total	Number	Percent of total	Total	Number	Percent of total	Total	Number	Percent of total
United States.....	199,849	24,289	12.2	175,231	16,668	9.5	22,349	7,214	32.3
Metropolitan.....	130,017	12,320	9.5	112,440	8,200	7.3	15,824	3,855	24.4
Central city.....	57,781	7,760	13.4	44,392	4,527	10.2	12,439	3,068	24.7
Metro ring.....	72,236	4,560	6.3	68,049	3,674	5.4	3,384	786	23.2
Nonmetropolitan.....	69,831	11,969	17.1	62,791	8,468	13.5	6,525	3,359	51.5

Source: Bureau of the Census, Current Population Reports, "Consumer Income," P-60, No. 73, table 3.

Percentage of Central City Populations That Live in Poverty Areas, by Migration Status, 1967

In 1967, about 28 percent of the central city population of medium- and large-sized metro areas lived in poverty areas. The remainder was in sections not characterized by very low income and other features of widespread poverty.

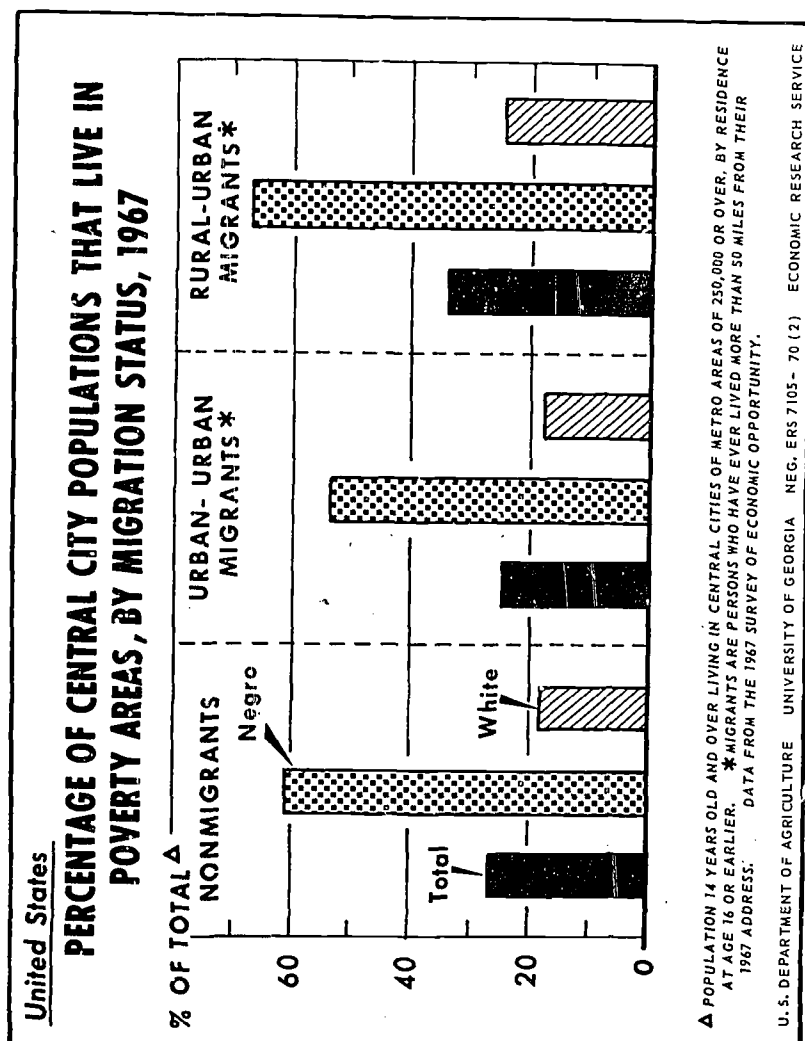
Migrants of rural origin who had moved to central cities were more likely than nonmigrants or migrants of urban origin to live in poverty areas. This was true for whites and blacks, but more so for the blacks. Two-thirds of the black rural-to-urban central-city residents were in poverty areas. Among blacks who had moved to central cities from some other urban background, half were living in poverty areas. Black nonmigrants were more likely to be in poverty areas than were urban-to-urban migrants, but less likely than rural-to-urban migrants.

For the white population, differences in location of the various migrant-status groups were not great, although they were in the same direction as those for blacks, with rural-to-urban migrants being the group most likely to live in poverty areas.

The most striking feature of the data is the high percentage of blacks who were living in poverty areas, regardless of their migration background. The black group with the lowest poverty area concentration was twice as likely to be in a poverty area as was the white group with the highest poverty area location.

Poverty areas, in central cities of metro areas of 250,000 or more, are groups of tracts falling in the lowest quartile on an index based on several items relating to composition of families, their economic status, and housing condition.

Migrants are persons who have ever lived more than 50 miles from their 1967 address.



Employment, by Industry, United States, Metropolitan and Non-metropolitan Areas, March 1960 and March 1970

In the 1960-70 decade, nonmetropolitan America added 3.4 million new workers, or 17 percent more employed in 1970 than in 1960. This represented an increase from 19.9 million workers to 23.3 million. During the same period, however, metro areas increased their number of workers from 46.2 million to 58.5 million, a 27-percent change. The trend for the United States was a rise of 24 percent.

Nonmetropolitan areas surpassed metro areas in percentage change from 1960 to 1970 in manufacturing by 31 percent nonmetro to 12 percent metro, and in construction by 46 percent nonmetro to 29 percent metro. Finance, insurance, and real estate was the only group in the service sector that grew faster in nonmetro than metro counties. In "fast-growing industries," such as government, service, and trade, metro areas outpaced nonmetro in employment gains.

Despite this favorable nonmetro competition in employment, an important factor in the continuing metro-nonmetro income gap is revealed by the comparative industrial mix in the two areas. Although manufacturing plays a significant role in both areas, "fast-growing industries" (exceeding the overall national growth rate of 23.8 percent) grew faster in metro than nonmetro areas in the 1960's. The only fast-growing industry with a notably higher growth rate in nonmetro areas was construction. The nonmetro lag in employment and income is accounted for by the industrial mix which favors metro areas, including the continued decline in agricultural employment in nonmetro areas. This decline is due in part to high productivity rates in the farm sector, from increased use of mechanization and other labor-saving technology.

The most promising source of development for many rural areas is new nonfarm employment supported by the necessary social and economic infrastructure that will attract new residents and new business to nonmetropolitan regions. Much of this employment will be in plants that are most efficient in relatively urban environments. So new job creation needs to be in or near smaller urban centers within commuting distance of the rural poor and the displaced farmers.

Employment, by industry, United States, metropolitan areas, and nonmetropolitan areas, March 1960 and March 1970¹

[Numbers in millions]

Industry	United States			Metropolitan ²			Nonmetropolitan ²		
	Change 1960-70			Change 1960-70			Change 1960-70		
	March 1970	March 1960	Percent ⁴	March 1970	March 1960	Percent ⁴	March 1970	March 1960	Percent ⁴
Total.....	81.8	66.1	15.7	24	63.5	46.2	27	23.3	19.9
Fast growing industries, total ⁵	47.6	31.6	14.0	44	34.3	23.7	46	11.3	7.9
Government wage and salary employment.....	12.9	8.4	4.4	63	8.8	6.7	55	4.1	2.7
Services miscellaneous wage and salary employment.....	11.3	7.1	4.1	58	8.8	6.5	50	2.4	1.6
Trade wage and salary employment.....	14.7	11.0	3.7	23	11.2	8.4	34	3.5	2.7
Finance, insurance, and real estate wage and salary employment.....	3.6	2.6	1.0	30	3.1	2.2	30	.6	.4
Construction wage and salary employment.....	3.2	2.4	.8	33	2.4	1.9	29	.8	.6
Other industries, total.....	38.1	34.4	1.7	6	24.2	22.5	1.7	8	12.0
Manufacturing wage and salary employment.....	10.7	16.9	2.8	17	14.4	12.9	1.6	12	6.3
Transportation, communication, and utilities wage and salary employment.....	4.5	4.0	.5	12	3.5	3.1	.4	14	1.0
Mining wage and salary employment.....	8.0	8.2	-.2	-11	-2	-.2	(6)	-3	.4
Nonagricultural employment n.e.c. ⁶	3.3	4.6	-1.4	-29	.8	1.0	-.2	2.8	2.9
Agriculture ⁷								2.5	3.6
									-1.1
									-31

¹ Based on establishment reports.² Workers are classified according to their place of employment rather than place of residence.³ Substantially, this includes employment in all Standard Metropolitan Statistical Areas as defined by the Bureau of the Budget Jan. 16, 1968. In a few instances, labor areas delineated by State employment security agencies⁴ do not coincide with SMSA's.⁴ In these instances, the ES delineations apply.⁵ Computed from unrounded figures.⁶ Industries in which nationwide employment increased by a greater percentage than the overall average of 23.9 percent.⁷ Less than 50,000 workers.⁸ Less than 0.5 percent.⁹ Nonagricultural employment not elsewhere classified in this table. This includes the self-employed, private household workers, and unpaid family workers.¹⁰ Includes the self-employed, unpaid family workers, and wage and salary workers in agriculture.

NOTE: Due to rounding, figures may not add to totals.

Source: Unpublished data prepared by Claude C. Huron, Economic Development Division, Economic Research Service, U.S. Department of Agriculture, based primarily on data supplied by State employment security agencies, Rural Manpower Development, Manpower Administration, U.S. Department of Labor, March 1971, p. 11.

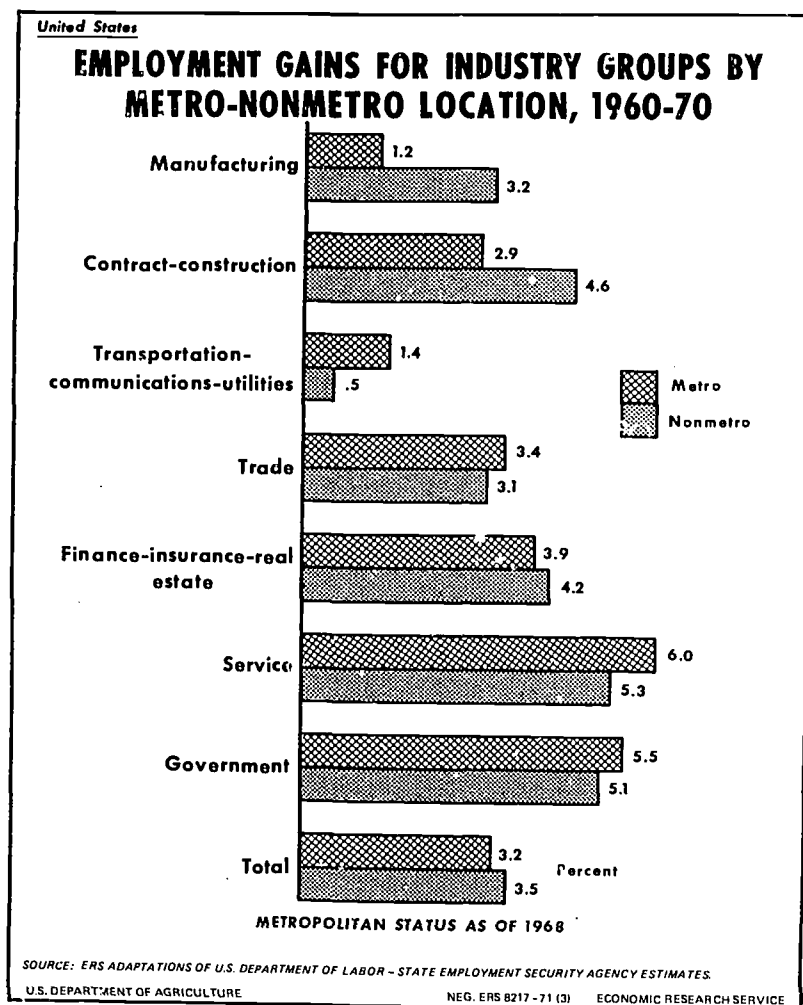
**Employment Gains for Industry Groups by Metro-Nonmetro
Location, 1960-1970**

The rate of gain in nonfarm wage and salary employment from 1960 to 1970 was somewhat greater in rural and other nonmetropolitan counties than in metropolitan areas.

In manufacturing, the annual rate of nonmetro gain was nearly three times that in the metro areas. Construction jobs and employment in finance, insurance, and real estate also increased more rapidly beyond the big cities and their suburbs.

Rates of gain of about 5-percent per year in nonmetro employment in the service industries and government were moderately below the rates of increase in metropolitan areas.

Rural and partly rural counties, with only a tenth of the manufacturing jobs in 1960, accounted for about a fifth of the gain in manufacturing workers in the 1960-70 decade.



**Employed Persons 16 Years and Over by Type of Industry:
Annual Averages, 1950-1970**

As the size of the employed labor force has grown from about 59 million in 1950 to nearly 79 million in 1970, the numbers employed in agriculture have decreased from 7 million to about 3.5 million during the same period.

The percentage of the total employed, who are engaged in agriculture, has declined from 12.2 to 4.4 percent in the 20-year period.

Employed persons 16 years and over by type of industry: Annual averages, 1950-70 (selected years)

Year	Total employed		Agriculture		Nonagricultural Industries	
	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent
1950	58,920	100.0	7,160	12.2	51,758	87.8
1952	60,254	100.0	6,500	10.8	53,749	89.2
1954	60,110	100.0	6,205	10.3	53,903	89.7
1956	63,802	100.0	6,284	9.9	57,512	90.1
1958	63,036	100.0	5,584	8.9	57,450	91.1
1960	65,778	100.0	5,459	8.3	60,318	91.7
1962	66,702	100.0	4,944	7.4	61,759	92.6
1964	69,305	100.0	4,523	6.5	64,781	93.5
1966	72,895	100.0	3,979	5.5	68,916	94.5
1968	75,920	100.0	3,817	5.0	72,103	95.0
1970	78,627	100.0	3,462	4.4	75,165	95.6

Source: Manpower Report of the President, April 1971, table A-11, p. 218.

Government Purchases of Goods and Services and Compensation of Employees in Government Enterprises, 1962-69

Government purchases of goods and services and compensation of employes in government enterprises have increased in total, from all levels of government, from \$123 billion in 1962 to \$223 billion in 1969. Approximately half of the total in 1969 was from the Federal level and half from State and local governments.

The striking feature about government purchases of goods and services during the 1960's was the very high rate of increase, accounting for one-fourth of the growth in GNP from 1963 to 1970. Nearly two-thirds of the government contribution was traceable to State and local purchases, reflecting the increasing demand for services at State and local government levels.

While it is not possible to state precisely the role of Federal grants-in-aid in the rise of State and local purchases, certain inferences can be drawn from their concomitant rise. According to preliminary figures, by 1970, Federal grants, up from about one-seventh of the 1963 total, amounted to nearly one-fifth (19 percent) of State and local expenditures, nine-tenths of which went for purchases of goods and services. This relationship of grants to spending varies by function, but for some functions, the rate of growth in grants approximately matched that in State and local spending throughout the 1963-70 period.

Government purchases of goods and services and compensation of employees in Government enterprises, 1962-69

[Billions of dollars]

Level of Government and year	Government purchases of goods and services				Compensation of employees of Government enterprises
	Total	Total	Purchases from private industry	Total compensation of general government personnel (civilian and military)	
Total:					
1962.....	\$123.1	\$117.1	\$62.5	\$54.7	\$6.0
1963.....	129.0	122.5	64.4	58.1	6.6
1964.....	135.7	128.7	65.7	63.0	7.0
1965.....	144.4	137.0	69.2	67.8	7.4
1966.....	164.9	156.8	80.2	76.6	8.1
1967.....	188.8	180.1	95.0	85.1	8.7
1968.....	210.0	200.2	105.3	94.9	9.8
1969.....	222.6	212.1	108.5	103.6	10.5
Federal:					
1962.....	67.5	63.4	39.1	24.3	4.1
1963.....	68.7	64.2	39.0	25.3	4.4
1964.....	69.9	65.2	38.0	27.2	4.7
1965.....	71.9	66.9	38.4	28.5	5.0
1966.....	83.3	77.8	45.2	32.6	5.5
1967.....	96.6	90.7	54.8	35.9	5.9
1968.....	106.1	99.5	60.0	39.5	6.6
1969.....	108.4	101.3	59.2	42.1	7.1
State and local:					
1962.....	55.7	53.7	23.3	30.4	1.9
1963.....	60.4	58.2	25.4	32.9	2.1
1964.....	65.8	63.5	27.7	35.9	2.3
1965.....	72.4	70.1	30.8	39.3	2.4
1966.....	81.6	79.0	35.0	44.0	2.6
1967.....	92.2	89.4	40.2	49.2	2.8
1968.....	103.9	100.7	45.3	55.4	3.2
1969.....	114.2	110.8	49.3	61.5	3.4

Source: Manpower Report of the President, 1971, table G-10, p. 323.

Employment Resulting from Government Purchases of Goods and Services, and Employment in Government Enterprises, 1962-69

Public and private employment resulting from Government purchases of goods and services, as well as employment in Government enterprises, totaled about 30 percent of U.S. employment in 1969, and more than the total of rural jobs. Eleven million were Federal employees and about 13 million State and local, a ratio that has remained about the same since 1962.

Employment resulting from government purchases of goods and services, and employment in government enterprises, 1962-69

[Millions of employees]

Level of government and year	Public and private employment resulting from government purchases of goods and services				Employment in government enterprises
	Total	Total	Employment in private industry	Total general government personnel (civilian and military)	
Total:					
1962.....	18.3	17.2	6.1	11.1	1.1
1963.....	18.8	17.7	6.4	11.3	1.1
1964.....	19.2	18.0	6.4	11.6	1.2
1965.....	19.3	18.1	6.1	12.0	1.2
1966.....	20.8	19.5	6.3	13.2	1.3
1967.....	23.0	21.7	7.8	13.9	1.3
1968.....	24.0	22.7	8.3	14.4	1.3
1969.....	24.1	22.7	7.9	14.8	1.4
Federal:					
1962.....	9.0	8.4	3.7	4.6	.7
1963.....	9.1	8.4	3.9	4.5	.7
1964.....	8.9	8.2	3.7	4.5	.7
1965.....	8.9	8.1	3.5	4.6	.8
1966.....	9.6	8.7	3.6	5.1	.9
1967.....	10.9	10.0	4.5	5.5	.9
1968.....	11.2	10.3	4.7	5.6	.9
1969.....	10.7	9.8	4.2	5.6	.9
State and local:					
1962.....	9.3	8.9	2.4	6.5	.4
1963.....	9.6	9.2	2.5	6.7	.4
1964.....	10.1	9.7	2.7	7.0	.4
1965.....	10.5	10.0	2.6	7.4	.5
1966.....	11.2	10.7	2.7	8.0	.5
1967.....	12.2	11.7	3.3	8.4	.5
1968.....	12.9	12.4	3.6	8.8	.5
1969.....	13.4	12.9	3.7	9.2	.5

Source: Manpower Report of the President, 1971, table G-11, p. 327.

Distribution of Farm Wageworkers by Selected Characteristics, 1970

The hired farm working force of 1970 (2.5 million persons) was mostly white (78 percent), male (76 percent), and composed of non-farm residents (73 percent). The workers were also predominantly young (median age, 23). They were overwhelmingly of nonmigratory status (92 percent).

The largest proportion (44 percent) was in the South; about the same percentage (24 and 23) was in the North-Central Region and in the West; only 10 percent were workers in the Northeast.

Some 44 percent of all farm wageworkers in 1970 worked fewer than 25 days. Twenty-five percent worked 25 to 74 days.

Distribution of farm wageworkers, and man-days of farm wagework by selected characteristics, 1970

Selected characteristics	Number of workers			Man-days of farm wagework		
	Total Thousands	Male Thousands	Female Thousands	Total Millions	Male Millions	Female Millions
All workers, 1970.....	2,488	1,889	599	201	178	24
Color:						
White.....	1,940	1,554	387	156	139	16
Negro and other races.....	547	335	212	45	38	7
Migratory status:						
Migratory.....	196	161	35	17	15	2
Nonmigratory.....	2,291	1,728	563	184	162	22
Duration of farm wagework:						
Less than 25 days....	1,093	747	346	10	6	4
25 to 74.....	623	455	168	28	21	7
75 to 149.....	293	233	60	31	25	6
150 to 249.....	172	160	12	34	32	3
250 and over.....	306	294	12	98	94	4
<i>Percent</i>						
All workers, 1970.....	100	100	100	100	100	100
Color:						
White.....	78	82	65	77	79	69
Negro and other races.....	22	18	35	23	21	31
Migratory status:						
Migratory.....	8	9	6	9	9	8
Nonmigratory.....	92	91	94	91	91	92
Duration of farm wage- work:						
Less than 25 days....	44	40	58	5	4	15
25 to 74 days.....	25	24	28	14	12	31
75 to 149 days.....	12	12	10	15	14	27
150 to 249 days.....	7	8	2	17	18	11
250 days and over....	12	16	2	49	53	16

NOTE.—Numbers of workers are rounded to the nearest thousand, and numbers of man-days are rounded to the nearest million without being adjusted to group totals.

Source: The Hired Farm Working Force of 1970, by Robert C. McElroy, AER No. 201, Economic Research Service, U.S. Department of Agriculture, March 1971, table 5, p. 13.

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Distribution of farm wagedworkers, by selected characteristics, 1970

Selected characteristics	Number of workers (thousands)			Percentage distribution		
	Total	Male	Female	Total	Male	Female
All workers, 1970.....	2, 488	1, 889	599	100	100	100
Color:						
White.....	1, 940	1, 554	387	78	82	65
Negro and other races.....	547	335	212	22	18	35
Chief activity:						
Farmwork.....	623	584	40	25	31	7
Farm wagedwork.....	539	502	37	22	27	6
Without nonfarm work.....	417	386	31	17	20	5
With nonfarm work.....	122	116	6	5	6	1
Other farmwork ¹	84	82	3	3	4	(²)
Nonfarm work.....	390	345	45	16	18	8
Unemployed.....	70	68	2	3	4	(²)
Not in labor force.....	1, 404	882	511	56	47	85
Keeping house.....	285	8	277	11	1	46
Attending school.....	988	762	226	40	40	38
Other.....	131	122	8	5	6	1
Residence and age:						
All workers.....	2, 488	1, 889	599	100	100	100
14 to 17 years.....	819	629	190	33	33	32
18 to 24 years.....	539	431	108	22	23	18
25 to 34 years.....	322	245	77	13	13	13
35 to 44 years.....	254	164	91	10	9	15
45 to 54 years.....	247	175	72	10	9	12
55 to 64 years.....	173	131	43	7	7	7
65 years and over.....	133	114	19	5	6	3
Farm residence.....	675	544	131	100	100	100
14 to 17 years.....	162	134	28	24	25	22
18 to 24 years.....	142	124	18	21	23	14
25 to 34 years.....	89	66	23	13	12	17
35 to 44 years.....	73	50	23	11	9	18
45 to 54 years.....	94	72	22	14	13	17
55 to 64 years.....	69	58	11	10	11	8
65 years and over.....	47	40	6	7	7	5
Nonfarm residence.....	1, 813	1, 345	468	100	100	100
14 to 17 years.....	657	495	162	36	37	35
18 to 24 years.....	397	307	89	22	23	19
25 to 34 years.....	233	179	54	13	13	12
35 to 44 years.....	181	113	68	10	8	15
45 to 54 years.....	153	103	50	8	8	11
55 to 64 years.....	105	73	32	6	5	7
65 years and over.....	87	74	13	5	6	3
Migratory status and age:						
Migratory.....	196	161	35	100	100	(³)
14 to 17 years.....	75	62	13	38	39	-----
18 to 24 years.....	50	43	7	25	27	-----
25 to 34 years.....	22	19	3	11	12	-----
35 to 44 years.....	25	18	7	13	11	-----
45 to 54 years.....	12	6	5	6	4	-----
55 to 64 years.....	7	7	0	4	5	-----
65 years and over.....	6	5	1	3	3	-----

See footnotes at end of table.

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Distribution of farm wagedworkers, by selected characteristics, 1970—Continued

Selected characteristics	Number of workers (thousands)			Percentage distribution		
	Total	Male	Female	Total	Male	Female
Migratory status and age—Continued						
Nonmigratory.....	2, 291	1, 728	563	100	100	100
14 to 17 years.....	744	567	177	32	33	32
18 to 24 years.....	489	388	101	21	22	18
25 to 34 years.....	300	226	74	13	13	13
35 to 44 years.....	230	146	84	10	8	15
45 to 54 years.....	235	169	67	10	10	12
55 to 64 years.....	166	123	43	7	7	8
65 and over.....	127	110	17	6	6	3
Region.....	2, 438	1, 889	599	100	100	100
Northeast.....	241	174	66	10	9	11
North Central.....	590	517	73	24	27	12
South.....	1, 093	804	289	44	43	48
West.....	564	393	171	23	21	29
Workers who did 25 days or more of farm wagedwork:						
Migratory status and age:						
All workers.....	1, 394	1, 142	252	100	100	100
14 to 17 years.....	362	296	66	26	26	26
18 to 24 years.....	299	248	52	21	22	20
25 to 34 years.....	191	156	35	14	14	14
35 to 44 years.....	165	128	37	12	11	15
45 to 54 years.....	179	136	42	13	12	17
55 to 64 years.....	123	106	16	9	9	6
65 and over.....	76	71	5	5	6	2
Migratory.....	135	111	24	100	100	(^c)
14 to 17 years.....	45	40	5	33	36	-----
18 to 24 years.....	34	28	7	25	25	-----
25 to 34 years.....	14	11	3	10	10	-----
35 to 44 years.....	19	15	4	14	14	-----
45 to 54 years.....	10	5	5	8	5	-----
55 to 64 years.....	7	7	0	5	7	-----
65 and over.....	5	5	0	4	4	-----
Nonmigratory.....	1, 259	1, 031	229	100	100	100
14 to 17 years.....	317	256	60	25	25	26
18 to 24 years.....	265	220	45	21	21	20
25 to 34 years.....	177	145	32	14	14	14
35 to 44 years.....	145	113	33	12	11	14
45 to 54 years.....	168	131	37	13	13	16
55 to 64 years.....	115	99	16	9	10	7
65 and over.....	71	66	5	6	6	2
Total farm wages earned.....	1, 394	1, 142	252	100	100	100
Under \$100.....	36	24	12	3	2	5
\$100 to \$199.....	89	54	34	6	5	14
\$200 to \$399.....	226	165	60	16	14	24
\$400 to \$599.....	184	133	51	13	12	20
\$600 to \$999.....	204	175	29	15	15	11
\$1,000 to \$1,999.....	282	236	45	20	21	18
\$2,000 and over.....	374	353	21	27	31	8

See footnotes at end of table.

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Distribution of farm wageworkers, by selected characteristics, 1970—Continued

Selected characteristics	Number of workers (thousands)			Percentage distribution		
	Total	Male	Female	Total	Male	Female
Workers who did 25 days or more of farm wagework—Con.						
Total farm and non-farm wages earned.....	1, 394	1, 142	252	100	100	100
Under \$100.....	26	18	8	2	2	3
\$100 to \$199.....	71	43	28	5	4	11
\$200 to \$399.....	171	124	47	12	11	19
\$400 to \$599.....	147	104	44	11	9	17
\$600 to \$999.....	169	132	37	12	12	15
\$1,000 to \$1,399.....	158	125	33	11	11	13
\$1,400 to \$1,999.....	125	108	17	9	9	7
\$2,000 and over.....	528	490	38	38	43	15
Workers who did less than 25 days of farm wagework:						
Migratory status and age:						
All workers.....	1, 093	747	346	100	100	100
14 to 17 years.....	457	333	124	42	45	36
18 to 24 years.....	239	183	56	22	25	16
25 to 34 years.....	131	89	42	12	12	12
35 to 44 years.....	90	36	54	8	5	16
45 to 54 years.....	68	39	29	6	5	8
55 to 64 years.....	51	24	26	5	3	8
65 and over.....	57	43	14	5	6	4
Migratory.....	61	50	12	100	100	(²)
14 to 17 years.....	30	22	7	49	45	-----
18 to 24 years.....	16	16	0	26	32	-----
25 to 34 years.....	7	7	0	12	15	-----
35 to 44 years.....	5	3	3	9	5	-----
45 to 54 years.....	1	1	0	2	3	-----
55 to 64 years.....	0	0	0	0	0	-----
65 and over.....	1	0	1	2	0	-----
Nonmigratory.....	1, 032	697	335	100	100	100
14 to 17 years.....	427	310	117	41	44	35
18 to 24 years.....	224	168	56	22	24	17
25 to 34 years.....	123	81	42	12	12	13
35 to 44 years.....	85	33	51	8	5	15
45 to 54 years.....	67	38	29	6	5	9
55 to 64 years.....	51	24	26	5	3	8
65 and over.....	56	43	12	5	6	4

¹ Includes operating a farm and unpaid family labor.

² Less than 0.5 percent.

³ Percentages not shown where base is less than 50,000 persons.

NOTE: Numbers of workers are rounded to the nearest thousand without being adjusted to group totals.

Source: The Hired Farm Working Force of 1970.

Average Number of Days Worked and Wages Earned per Day at Farm and Nonfarm Wagework, for All Farm Wageworkers, 1960 and 1965-70

The number of all farm wageworkers has declined from 3.7 million in 1960 to 2.5 million in 1970, reflecting the continued growth of mechanization in agriculture.

Although the number of days worked per year in farm and nonfarm work has fluctuated and sometimes decreased, the wages earned per day have increased from 1960 to 1970. For farmwork, wages per day have gone up from \$6.25 in 1960 to \$11.10 in 1970; for nonfarm work, from \$8.50 to \$16.35. The steady increase in daily wage levels has brought yearly wages up in each year except for nonfarm work in 1967 and 1968.

Although yearly earnings for farm and nonfarm work doubled between 1960 and 1970, the average annual earnings in 1970 for 127 days worked were only \$1,640.

Average number of days worked and wages earned per day at farm and nonfarm wagework, for all farm wageworkers, 1960 and 1965-70

	1960	1965	1966	1967	1968	1969	1970
Number of workers (thousands)-----	3,693	3,128	2,763	3,078	2,919	2,751	2,488
Farm and nonfarm:							
Days worked-----	122	123	128	121	116	119	127
Wages earned per day (dollars)-----	6.90	8.55	10.00	10.70	11.60	12.20	12.90
Wages earned per year (dollars)-----	845	1,084	1,279	1,295	1,346	1,453	1,640
Farm:							
Days worked-----	86	85	85	84	79	78	80
Wages earned per day (dollars)-----	6.25	7.55	8.55	9.70	10.55	10.75	11.10
Wages earned per year (dollars)-----	537	650	731	817	834	837	887
Nonfarm:							
Days worked-----	36	38	43	36	36	40	46
Wages earned per day (dollars)-----	8.50	10.85	12.85	13.25	14.20	15.40	16.35
Wages earned per year (dollars)-----	308	404	548	477	512	616	752

Sources: The Hired Farm Working Force, 1960 and 1965-70, Agriculture Information Bulletin 266, 1970; A.E.R. Nos. 98, 120, 148, 164, 180, and 201, table 7. Economic Research Service, U.S. Department of Agriculture.

**Unemployment Rates by Major Industry Group: Annual
Averages, 1950-70 (Selected Years)**

Unemployment rates for all experienced wage and salary workers 16 years of age and over in the 1950's and 1960's have ranged from a low of 3.3 in 1952 to a high of 7.3 in 1958.

During this period of two decades, unemployment rates in agriculture have remained consistently higher than in nonagricultural industries.

In the accompanying table, unemployed experienced wage and salary workers are those whose last full-time job of at least 2 weeks' duration was as a wage and salary worker in agriculture or in a non-agricultural industry (including Government).

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Unemployment rates of persons 16 years and over, by major industry group: annual averages, 1950-70 (experienced wage and salary workers)

Year	Total	Agricultural	Nonagricultural
1950	6.0	9.0	3.9
1952	3.3	4.8	3.6
1954	7.0	8.9	6.7
1956	4.4	7.3	4.7
1958	7.3	10.3	7.9
1960	5.7	8.3	6.2
1962	5.6	7.5	6.1
1964	5.0	9.7	5.4
1966	3.5	6.6	3.8
1968	3.4	6.3	3.0
1970	4.8	7.5	5.2

Source: Manpower Report of the President, April 1971, table A-16, p. 223.

Indexes of Output Per Man-Hour, 1950-70

Productivity, as measured by indexes of output per man-hour, has risen much more in the farm sector in the past two decades than in the nonfarm. Starting from an index of 37.7 in 1950, farm output per man-hour went up by 75.4 points to 113.1 in 1970, whereas nonfarm output rose by 38.8 points, from 65.0 in 1950 to 103.8 in 1970.

On a 1967 base of 100, farm productivity had outpaced nonfarm by 1969 when the farm index of output was 107.3 and nonfarm was 103.2. By 1970, the farm figure was considerably higher than nonfarm.

Indexes of output per man-hour, 1950-70 (selected years)

[Indexes, 1967=100]

	Total private	Farm	Nonfarm		
			Total	Manufacturing	Nonmanu- facturing
Year:					
1950-----	59.7	37.7	65.0	64.4	65.3
1952-----	62.7	41.2	66.9	66.2	67.2
1954-----	66.9	49.1	70.5	69.5	71.0
1956-----	70.0	51.6	73.2	72.9	73.3
1958-----	74.3	60.4	76.7	74.4	78.0
1960-----	78.2	64.9	80.3	79.9	80.6
1962-----	84.7	71.7	86.4	86.6	86.5
1964-----	91.1	79.5	92.4	94.5	91.5
1966-----	98.0	90.5	98.4	99.9	97.6
1968-----	102.9	101.4	102.9	104.7	101.9
1970 ¹ -----	104.6	113.1	103.8	108.1	102.1

¹ Preliminary.

Source: Manpower Report of the President, April 1971, table G-1, p. 317.

III. HEALTH AND EDUCATION

Among the deficits in social overhead in nonmetropolitan areas is the quality of both medical care and education. Tools to measure quality are difficult to find. However, available evidence indicates that metro areas surpass nonmetro in certain kinds of health care and in some aspects of the educational process.

In general, most rural areas fare quite well in terms of availability of general practitioners and hospital beds, but they suffer in comparison with urban centers when it comes to specialized services and fully accredited hospitals. Generally lower rural income also places rural areas at a disadvantage in providing quality medical care.

In the field of education, there is essentially no rural-urban difference in median years of school completed up to about 12 years of schooling. It is in post-high school education, primarily, that metro areas have the better record. To the extent that a college education adds significantly to average lifetime income, the relative deficit in higher education in nonmetro areas constitutes a substantial disadvantage.

Other aspects of quality education which compare unfavorably in nonmetro areas as compared with cities include: the very small size of many rural school systems, less variety in the curriculum, and fewer specialized educational services, especially those requiring laboratory or other costly equipment.

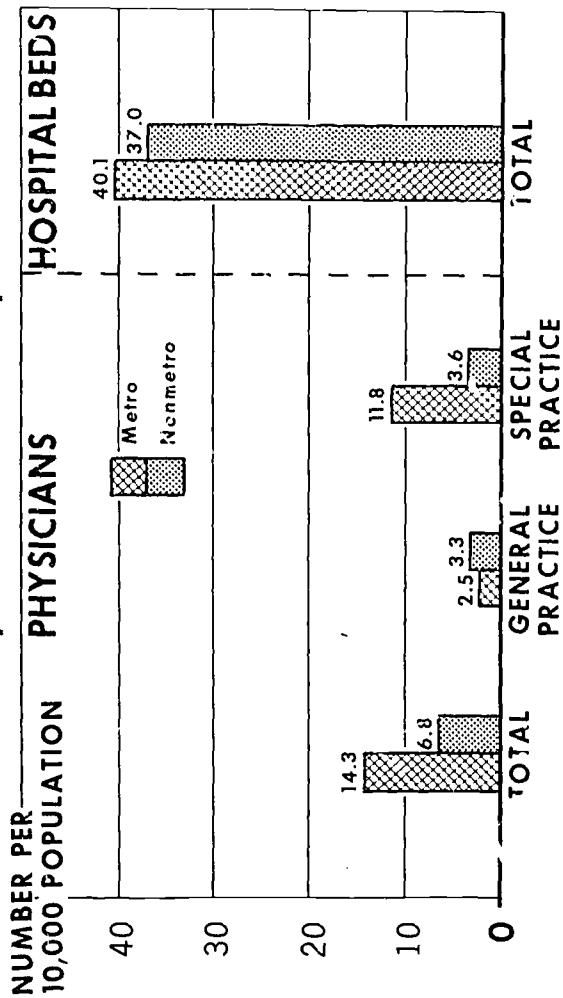
As the costs of medical care and education continue their steep upward climb, the income position of nonmetro areas and their ability to provide these services become increasingly critical factors influencing the quality of rural living. Rural communities are not now competitive with larger centers in providing quality health care and education.

**Physicians and Hospital Beds by Metropolitan Status,
United States, 1969**

Medicine today is an increasingly specialized field, and most Americans turn to specialists when they need help. Rural people have about equal access to general practitioners and hospital beds as do metropolitan Americans, except in areas of extremely sparse population.

But rural people face long hours of traveling to see a specialist. New and more effective ways of providing services of specialists are needed in areas where the population is too sparse to keep them busy and incomes are too low to attract them.

PHYSICIANS AND HOSPITAL BEDS BY METROPOLITAN STATUS, UNITED STATES, 1969



SOURCE: AMERICAN MEDICAL ASSN., "DISTRIBUTION OF PHYSICIANS, HOSPITALS AND HOSPITAL BEDS IN THE U.S. 1969," VOL. 2

U.S. DEPARTMENT OF AGRICULTURE

NEG. ERS 8209-71 (3) ECONOMIC RESEARCH SERVICE

Health Personnel per 100,000 Population

The more rural a county the poorer its health care services are likely to be. Lower income and sparse population make it difficult for these counties to compete with metropolitan areas.

High and rapidly rising costs of modern medical equipment and services increase the disadvantage of rural areas.

Rural counties have about as many general practitioners as metropolitan counties, but fewer other professionals.

Health personnel per 100,000 population

	GP's (1960)	Dentists (1964)	Active nurses (1962)	Pharmacists (1962)
Greater metropolitan counties (1,000,000 or more inhabitants) -	34	70	328	81
Lesser metropolitan counties (50,000 to 1,000,000)-----	28	52	340	65
Counties next to metropolitan areas-----	35	39	254	51
Isolated semirural counties (have at least 1 township with 2,500)--	36	39	243	56
Isolated rural counties-----	33	27	126	45

Source: Health Care in Rural America, ERS-461, Economic Research Service, U.S. Department of Agriculture, July 1970.

Nonmetro Shortage in Medical Specialists and Accredited Hospitals

Medical specialists are in particularly short supply in isolated rural areas.

Rural counties often have more hospitals than urban counties, but they usually are smaller, more often inadequately staffed, poorly equipped, and lacking in out-patient and extended care facilities.

The proportion of hospitals accredited by the *Joint Commission on American Hospitals* in 1966 was much lower in nonmetro counties than in metro counties with central cities.

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Specialists and hospital-based physicians (1966)

	Per 100,000 population	Per 100 hospital beds
Greater metropolitan counties.....	137	34
Lesser metropolitan counties.....	95	25
Counties next to metro areas.....	38	12
Isolated semirural counties.....	45	11
Isolated rural counties.....	8	4

Source: Health Care in Rural America, ERS-451, Economic Research Service, U.S. Department of Agriculture, July 1970.

Percent of hospitals accredited

Region	Metro counties with central cities	Nonmetro counties
Northeast.....	90	79
North Central.....	82	47
South.....	69	37
West.....	73	42
United States.....	78	45

Source: Health Care in Rural America, ERS-451, Economic Research Service, U.S. Department of Agriculture, July 1970.

Location of Physicians, Dentists, Hospital Beds and Nursing Home Beds, South Dakota

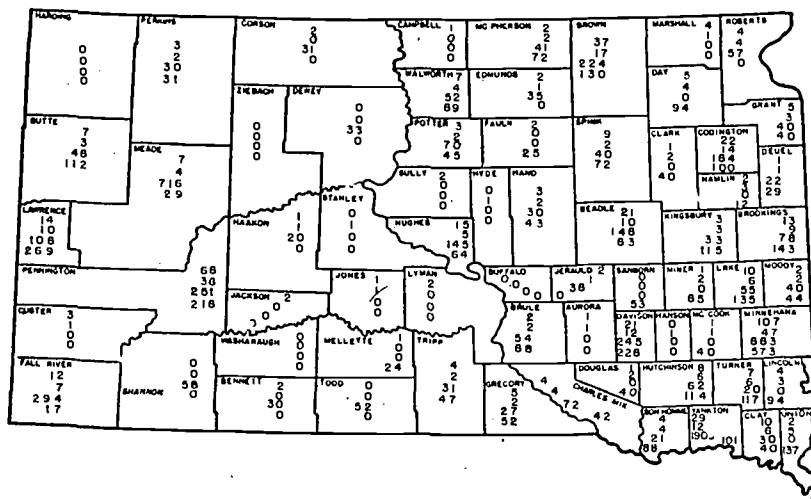
While the availability of general practitioners and hospital beds is generally adequate in nonmetropolitan areas, there are portions of the country in which there is a shortage. In parts of the Great Plains, where the population is relatively sparse, doctors, dentists, hospital and nursing home beds are scarce.

In South Dakota, for example, there were 11 counties in the mid-1960's in which there were no doctors, and 16 counties which had no dentists. This is at least partly due to the fact that doctors and dentists, formerly widely scattered, are now concentrating in the larger towns and cities.

There are some 26 counties with no nursing home beds available. This is important in view of the growing proportion of older people in this area. Nearly all of the nursing homes are located in the smaller towns near the centers where doctors and hospitals are located.

There were four counties in South Dakota with no physicians, dentists, hospital or nursing home beds. The concentration of these medical resources tends to be within certain counties and largely in the eastern portion of the State.

Location of physicians, dentists, hospital beds and nursing home beds, South Dakota



Legend: Top row—physicians'
Second row—dentists'
Third row—hospital beds'
Bottom row—nursing home beds'

Sources: 'South Dakota State Board of Medical and Osteopathic Examiners, Sept. 1965
 *South Dakota State Department of Health, June 1964
 'Journal of American Hospital Association, Aug. 1965
 *South Dakota Department of Health, Oct. 1964

Health Manpower 1980

The demand for medical care has outpaced health manpower resources in the United States, in spite of unprecedented growth in employment of health service workers since 1960. The shortage, especially acute among physicians and nurses, applies to nearly all health occupations.

The National Advisory Commission on Health Manpower reported in 1967 on what this shortage of health manpower has meant for adequacy of health care—"long delays to see a physician for routine care; lengthy periods spent in the well-named 'waiting room,' and then hurried and sometimes impersonal attention in a limited appointment time; difficulty in obtaining care on nights and weekends, except through hospital emergency rooms; . . . reduction of service because of a lack of nurses; . . . uneven distribution of care, as indicated by the health statistics of the rural poor, urban ghetto dwellers, and migrant workers . . . which occasionally resemble the health statistics of a developing country . . ."

Among the causes of the rapid rise in demand for health services in the 1960's are: population growth, increasing coverage under hospital insurance plans, and the rising scope of medical services. Increased demand is expected to continue in the 1970's. Medicare and Medicaid, expanding health services to the aged and the poor, will continue to increase the demand in health manpower occupations.

Where the personnel shortages are in today's hospitals

Occupation	Additional personnel needed in 1969			Total needs as a percent of employment in each occupation
	Total	To fill budgeted vacancies	Vacancies not budgeted ¹	
Registered nurses.....	39,400	32,300	7,100	8.5
Nursing aides, orderlies and attendants.....	26,000	16,800	9,200	4.6
Licensed practical nurses.....	19,200	15,300	3,900	9.4
Clinical laboratory technologists....	2,700	2,300	400	6.1
Social workers.....	2,300	1,200	1,100	15.1
Physical therapists.....	1,600	1,300	300	18.6
Inhalation therapists and aides....	1,400	900	500	9.6
Surgical aides.....	1,200	900	300	5.1
Occupational therapists.....	900	600	300	16.7
Physical therapy assistants and aides.....	600	400	200	6.9
Social work assistants and aides....	500	200	300	11.6
Occupational therapy assistants and aides.....	400	200	200	7.8
Speech pathologists and audiologists.....	200	100	100	11.1

¹ However, needed in order to provide optimum care.

Source: Health Manpower Resources, Report No. 1, Preliminary Tabulations from the Survey of Health Manpower in Hospitals, Public Health Service, Bureau of Health Professions Education and Manpower Training, July 1970. Winter 1970 Occupational Outlook Quarterly, BLS, U.S. Department of Labor, p. 3.

An average of 283,000 health career jobs will open up each year during the 1970's

Occupation	Estimated employment, 1968	Projected requirements, 1980	Percent change, 1968-80	Average annual openings, 1968-80		
				Total	Caused by employment change	Caused by death and retirement
Physicians.....	295,000	450,000	53.1	20,000	13,000	7,000
Osteopathic physicians.....	12,000	18,500	54.2	800	500	300
Dentists.....	100,000	130,000	31.7	4,900	2,600	2,300
Dental hygienists.....	16,000	33,500	109.4	2,400	1,500	900
Dental laboratory technicians.....	27,000	37,500	38.9	2,100	900	1,200
Registered nurses.....	660,000	1,000,000	51.5	65,000	28,000	37,000
Optometrists.....	17,000	21,000	23.5	300	300	500
Pharmacists.....	121,000	130,000	7.0	4,400	700	3,700
Podiatrists.....	8,500	9,500	11.8	200	100	100
Chiropractors.....	16,000	19,000	18.8	900	250	650
Occupational therapists.....	7,000	19,000	171.4	1,500	1,000	500
Physical therapists.....	14,000	36,000	157.1	2,800	1,800	1,000
Speech pathologists and audiologists.....	18,000	33,000	83.3	2,300	1,300	1,000
Medical laboratory workers.....	100,000	190,000	90.0	12,800	7,500	5,300
Radiological technologists.....	75,000	120,000	60.0	7,300	3,800	3,500
Medical record librarians.....	12,000	20,000	66.7	1,400	700	700
Dietitians.....	30,000	42,100	40.3	2,700	1,000	1,700
Hospital administrators.....	15,000	22,000	46.7	900	600	300
Sanitarians.....	10,000	14,000	41.0	600	300	300
Veterinarians.....	24,000	34,000	41.7	1,400	800	600
Licensed practical nurses.....	320,000	600,000	87.5	48,000	23,000	25,000
Hospital attendants.....	800,000	1,500,000	87.5	100,000	58,000	42,000

Source. Ibid.

**Infant Mortality Rate by Color, County Group, and Per Capita
Income Group of States; United States, 1961-65**

Infant mortality rates are related to both place of residence and level of income, and the rate is highest in the most rural and poverty stricken areas.

Even in the high per capita income States, the most rural counties have an infant mortality rate nearly seven percentage points above the national average for that group of States.

For "nonwhite infants" in rural counties, even in the high income States, infant mortality rates are more than twice as high as for all infants in rural counties in that group of States.

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*Infant mortality rate by color, county group, and per capita income group of States:
United States, 1961-65*

[Exclusive of fetal deaths. Rate is deaths under 1 year per 1,000 live births.]

County group	United States	Per capita income group of States (1963-65)		
		High (17 States) ¹	Middle (17 States)	Low (17 States)
Total infants:				
All county groups...	25.1	23.5	24.7	29.3
Metropolitan...	24.1	23.5	24.2	27.1
Greater ² ...	24.0	24.0	23.9	25.5
Lesser ³ ...	24.2	22.7	26.8	27.2
Adjacent...	25.5	22.5	25.0	29.9
Isolated...	28.1	24.6	25.9	31.1
Semirural ⁴ ...	27.9	24.0	25.7	31.1
Rural...	29.2	30.4	26.8	30.7
White infants:				
All county groups...	22.0	21.3	22.3	23.3
Metropolitan...	21.4	21.1	21.7	21.8
Greater ² ...	21.0	20.9	21.1	21.3
Lesser ³ ...	22.5	21.8	22.2	21.8
Adjacent...	22.6	21.8	23.0	23.7
Isolated...	23.8	22.8	23.4	24.5
Semirural ⁴ ...	23.6	22.7	23.4	24.4
Rural...	24.2	23.6	23.5	24.8
Nonwhite infants:				
All county groups...	41.1	37.0	41.7	45.3
Metropolitan...	38.2	36.7	39.4	41.1
Greater ² ...	37.7	37.5	38.2	38.5
Lesser ³ ...	38.9	33.9	41.0	41.3
Adjacent...	45.0	38.6	45.9	46.0
Isolated...	48.1	43.8	47.7	48.7
Semirural ⁴ ...	47.8	39.1	48.1	48.8
Rural...	49.5	63.8	47.0	48.8

¹ Includes District of Columbia.

² Population of 1,000,000 or more.

³ Population of 50,000 to 1,000,000.

⁴ Contains an incorporated place of 2,500 or more.

Source: Department of Health, Education, and Welfare, National Center for Health Statistics. Department of Commerce, Survey of Current Business, August 1966.

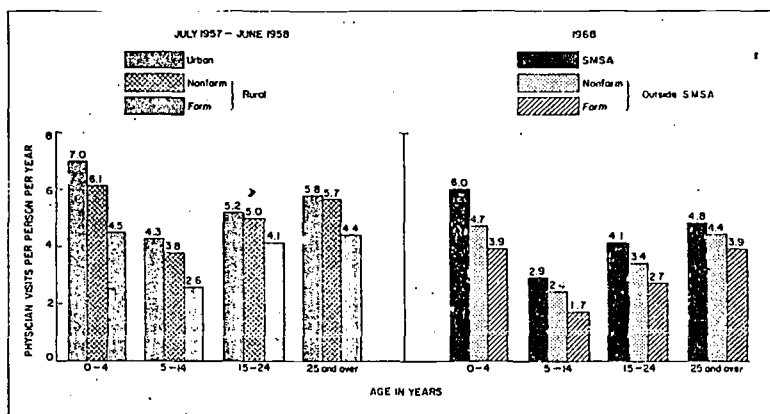
Visits to Physicians

Children and young people living in metro areas had the highest number of visits to physicians per person per year, on the average. Those living on farms had the lowest number.

The metro-nonmetro disparity was less marked for persons 25 years of age and over than among the very young.

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Number of visits to physicians per person per year,
by place of residence and age;
July 1957-June 1958 and 1968



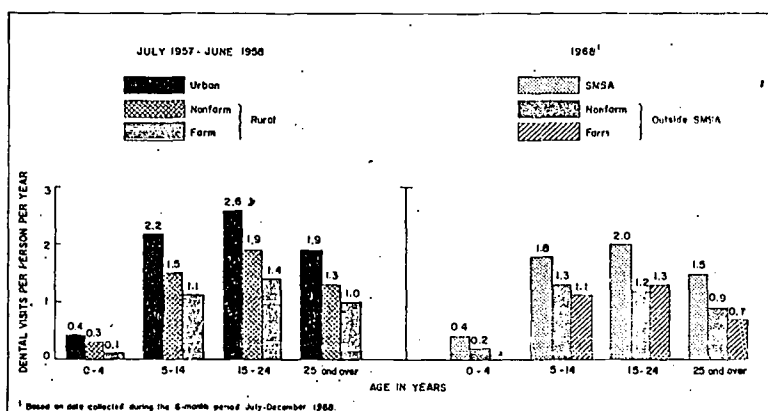
Source: Vital and Health Statistics, Series 10, No. 62, Public Health Service,
U.S. Dept. of Health, Education, and Welfare, Feb. 1971, p. 34.

Dental Visits

Persons 15 to 24 years of age, especially in metro areas, visited the dentist more frequently than other age groups or those living in non-metro areas.

Farm people generally had the fewest visits among these residence groups.

Number of dental visits per person per year,
by place of residence and age:
July 1957-June 1958 and 1968



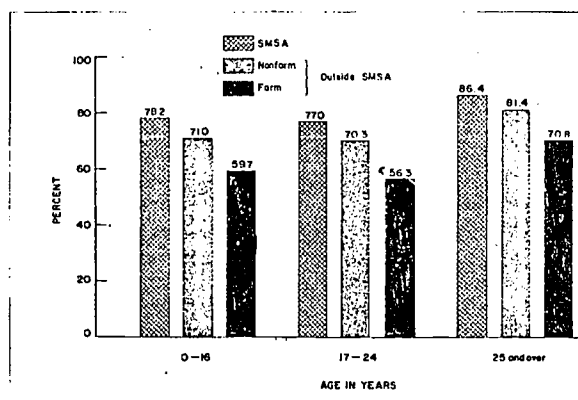
Source: Vital and Health Statistics, Series 10, No. 62, Public Health Service, U.S. Dept. of Health, Education, and Welfare, Feb. 1971, p. 41.

Hospital Insurance Coverage

Metro coverage for hospital insurance was considerably higher than nonmetro for all age groups, and farm people had the lowest proportion of persons covered.

For all residence groups, percentages were higher for persons 25 years of age and over than for younger people.

Percent of persons with hospital insurance coverage, by place of residence and age, 1968



Source: Vital and Health Statistics, Series 10, No. 62, Public Health Service, U.S. Dept. of Health, Education, and Welfare, Feb. 1971, p. 46.

Educational Attainment of Persons 25 Years and Over, by Color and Residence, March 1970

Levels of educational attainment have improved in both metro and nonmetro areas in recent years. In March 1970, among nonmetro whites, the percent who had completed high school was two out of three (65.9 percent) for those aged 25 to 44 years, compared with not quite two out of five (38.7 percent) of those 45 years of age or older.

Among Negroes, improvement has been relatively more rapid, but their education still lags far behind that of whites. In nonmetropolitan areas, three-fourths of the Negro farm population 25 years old and over had 8 years of schooling or less, compared with three-fifths of nonfarm and 36 percent in metro areas. Eighty-six percent of the Negro farm population 45 years old and over had 8 years or less of schooling, and even among those in the age group 25 to 44 years, more than half had attained only this level of education. Less than one-fourth (23.7 percent) were high school graduates.

*Educational attainment of persons 25 years and over, by color and residence,
March 1970*

Age and residence	Percent of population with—			
	8 years of school or less		12 years of school or more	
	White	Negro	White	Negro
Total.....	26.1	43.0	57.4	33.7
Metropolitan areas.....	22.1	36.0	61.5	38.8
Nonmetropolitan areas.....	33.2	60.9	50.0	20.6
Nonfarm.....	31.7	59.1	51.2	21.6
Farm.....	43.1	74.5	42.0	11.9
25 to 44 years.....	11.8	22.4	71.6	47.9
Metropolitan areas.....	9.4	18.0	74.7	52.2
Nonmetropolitan areas.....	16.5	36.3	65.9	34.2
Nonfarm.....	15.9	34.3	66.2	35.3
Farm.....	21.8	54.1	62.3	23.7
45 years and over.....	36.8	63.1	46.6	19.9
Metropolitan areas.....	32.1	55.7	51.2	24.2
Nonmetropolitan areas.....	44.9	78.9	38.7	10.5
Nonfarm.....	43.4	77.9	40.0	11.3
Farm.....	53.5	86.4	31.9	4.6

Source: Manpower Report of the President, April 1971, p. 132.

**Median Years of School Completed for Persons 25 to 29 Years
Old, 1969 and 1960**

The average educational attainment at 12-plus years showed some improvement between 1960 and 1969 for all races, within and outside metropolitan areas, among persons 25 to 29 years old. Metro medians were slightly higher than nonmetro in both years.

Differences in median school years completed were marked between whites and Negroes in both years, especially in nonmetropolitan areas.

Median years of school completed for persons 25 to 29 years old, 1969 and 1960

Race and year	Metropolitan areas			Outside metropolitan areas		
	Both sexes	Male	Female	Both sexes	Male	Female
1969						
All races.....	12. 6	12. 7	12. 6	12. 4	12. 5	12. 4
White.....	12. 7	12. 8	12. 6	12. 5	12. 5	12. 4
Negro.....	12. 3	12. 3	12. 2	10. 9	11. 4	10. 7
1960						
All races.....	12. 4	12. 4	12. 3	12. 2	12. 1	12. 2
White.....	12. 4	12. 5	12. 4	12. 1	12. 2	12. 3
Negro.....	11. 4	11. 3	11. 4	9. 0	8. 3	9. 5

Source: Current Population Reports, Special Studies, "Trends in Social and Economic Conditions in Metropolitan and Nonmetropolitan Areas," Series P-23, No. 33, Bureau of the Census, Sept. 1970, table 34, p. 38.

**Years of School Completed for Males 25 to 54 Years of Age,
1969 and 1960**

Men between 25 and 54 years of age residing in metropolitan areas had a better record of educational attainment than their nonmetropolitan counterparts in both 1969 and 1960, particularly at the college level.

Within metropolitan areas in 1969, about two-thirds (68 percent) of the men 25 to 54 years old had at least completed high school, and about one-fifth (19 percent) had completed 4 years of college or more. In nonmetropolitan areas, the percentages were 57 and 12 percent, respectively.

Years of school completed for males 25 to 54 years of age, 1969 and 1960

Educational attainment and year	Metropolitan areas	Outside nonmetropolitan areas
1969		
Number (millions).....	22.6	11.1
Percent.....	100	100
Elementary: 8 years or less.....	15	27
High school:		
1 to 3 years.....	17	16
4 years.....	36	35
College:		
1 year or more.....	32	21
4 years or more.....	19	12
Percent completing high school.....	68	57
1960		
Number (millions).....	21.4	11.2
Percent.....	100	100
Elementary: 8 years or less.....	26	39
High school:		
1 to 3 years.....	22	20
4 years.....	26	26
College:		
1 year or more.....	25	15
4 years or more.....	14	8
Percent completing high school.....	52	41

Source: Current Population Reports, Special Studies, "Trends in Social and Economic Conditions in Metropolitan and Nonmetropolitan Areas," Series P-26, No. 33, Sept. 3, 1970, Bureau of Census, table 37, p. 41.

Median Income for Males 25 to 54 Years of Age, by Years of School Completed, 1968 and 1959

(1968 dollars)

The median income for men between 25 and 54 years of age was higher within metropolitan areas than in nonmetro areas at all levels of educational attainment in both 1968 and 1959.

The median income of those residing outside metropolitan areas with some high school education more nearly matched that of comparable metropolitan area residents than did the median income of those with only an elementary school education.

For men with only some elementary education, the median income outside metropolitan areas was 79 percent of the median metro income, whereas with high school completion, it was 87 percent.

*Median income for males 25 to 54 years of age, by years of school completed,
1968 and 1969*

[1968 dollars]

Educational attainment	Metropolitan areas		Nonmetropolitan areas		Median nonmetro income as percent of metro median	
	1968	1969	1968	1969	1968	1969
	Dollars	Dollars	Dollars	Dollars	Percent	Percent
Elementary:						
8 years or less.....	6,094	5,177	4,803	3,512	79	68
High school:						
1 to 3 years.....	7,303	6,115	6,248	5,201	86	85
4 years.....	8,350	6,793	7,297	5,716	87	84
College:						
1 year or more.....	10,363	8,339	8,804	7,301	85	88
4 years or more.....	11,395	9,251	9,740	7,915	85	86

Source: Current Population Reports, Special Studies, "Trends in Social and Economic Conditions in Metropolitan and Nonmetropolitan Areas," Series P-23, No. 33, Sept. 3, 1970, Bureau of the Census, table 39, p. 43.

**Lifetime Income of Men, by Years of School Completed:
United States, 1966**

(In current dollars)

To the extent that rural men have lower levels of educational attainment and lifetime income is influenced by years of schools completed, rural males are disadvantaged relative to their urban counterparts.

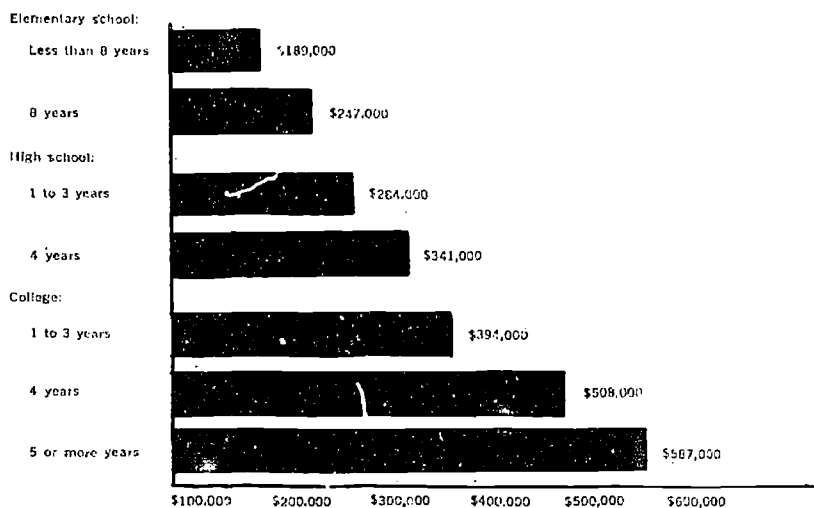
It will be seen that the income difference between completion of elementary school and high school over a lifetime amounts to \$94,000; between high school and college completion, \$167,000.

Lifetime income of men, by years of school completed: United States, 1966
(In current dollars)

Years of school completed	Income from age 18 to death
Elementary:	
Less than 8 years.....	188, 659
8 years.....	246, 525
High school:	
1 to 3 years.....	283, 718
4 years.....	340, 520
College:	
1 to 3 years.....	393, 969
4 years.....	507, 818
5 years or more.....	586, 905

Source: Digest of Educational Statistics, 1970, HEW, table 20, p. 17.

LIFETIME INCOME OF MEN, BY YEARS OF SCHOOL COMPLETED: UNITED STATES, 1966



SOURCE: U.S. Department of Commerce, Bureau of the Census, *Lifetime Income and Educational Attainment of Males in the United States: 1956 to 1966*.

EDUCATION AND INCOME

A person's income is closely related to his educational attainment. The Bureau of the Census reports in its latest estimates of the lifetime income of men by years of school completed. The data indicate that from age 18 onward an average elementary school graduate can expect an income of approximately \$247,000; a high school graduate, \$341,000; a college graduate, \$508,000; and a person with 1 or more years of graduate study, \$587,000 (see the accompanying chart). Thus an average college graduate can look forward to half again as much income as a high school graduate who fails to enter college. The holder of a bachelor's degree can expect more than twice as much remuneration as a man who leaves school after completing the eighth grade. And a person who has completed 5 or more years of college can anticipate an income of more than three times that of an elementary school dropout. Not all of these variations should be attributed

directly to differences in educational attainment, of course, but it would appear that the number of years spent in school does have an important effect upon future earning power.

Recent trends in annual income also demonstrate the financial advantages of a good education. While the income of all segments of the population has grown in the past few years, the greatest increases have occurred at the higher educational levels. Between 1961 and 1966, for example, the income of an average male elementary school graduate 25 years of age or over rose from about \$4,200 to \$4,900; a high school graduate, from \$5,900 to \$7,500; and a college graduate, from \$9,300 to \$11,100.

Trend figures are in current dollars; that is, they do not reflect changes in the purchasing power of the dollar.

W. VANCE GRANT, specialist in educational statistics.

Source: Digest of Educational Statistics, 1970, Office of Education, U.S. Dept. of Health, Education, and Welfare, September 1970, p. 16.

**Total Expenditures for Education Related to Gross National
Product: United States, 1929-30 to 1969-70**

(Selected years)

Educational expenditures have increased rapidly in recent years, reflecting the growth of the school-age population and increased effort to provide quality education.

The annual expenditure is now eight times its 1949-50 total, and nearly three times the outlay just 10 years ago.

Expenditures in 1969-70 were at an all-time high, both in terms of actual dollars and as a percentage of the Gross National Product.

In low-income rural areas, funds are difficult to find for quality education at steadily rising cost. This is especially true in areas of heavy outmigration where the tax base has been shrinking.

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*Total expenditures¹ for education related to gross national product: United States
1929-30 to 1969-70*

[Selected years]

Year	Gross national product (in millions)	School year	Expenditures for education	
			Total (in thousands)	As percent of GNP
	<i>Dollars</i>		<i>Dollars</i>	<i>Percent</i>
1929.....	103, 095	1929-30	3, 233, 601	3. 1
1939.....	90, 494	1939-40	3, 199, 593	3. 5
1949.....	256, 484	1949-50	8, 795, 635	3. 4
1959.....	483, 650	1959-60	24, 722, 464	5. 1
1969.....	932, 100	1969-70	² 69, 500, 000	7. 5

¹ Includes expenditures of public and nonpublic schools at all levels of education.

² Estimated.

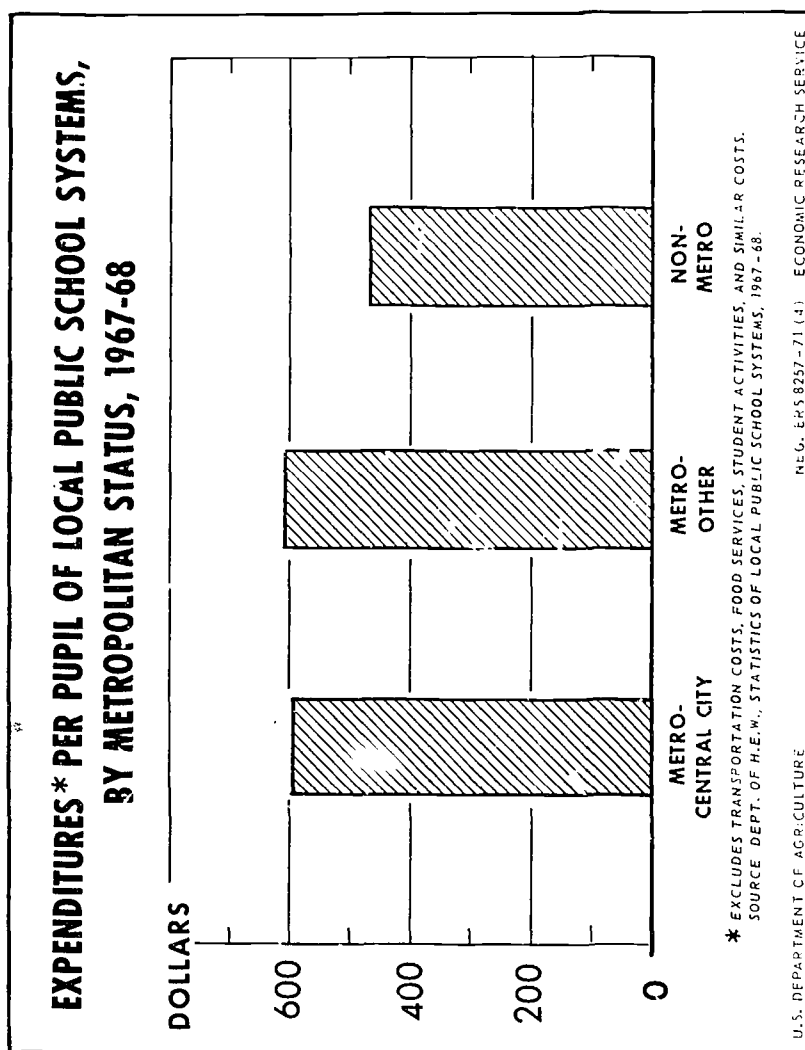
Source: Digest of Educational Statistics, 1970, National Center for Educational Statistics, OE-10024-70, HEW, table 25, p. 21.

**Expenditures Per Pupil of Local Public School Systems, by
Metropolitan Status, 1967-68**

According to one widely used, rough index of educational quality, educational services in rural areas are substantially poorer than those in either the central cities or their suburbs.

On the average, rural areas spend only about three-fourths as much per pupil as do urban areas. (These figures have been adjusted by excluding transportation costs, school lunches, and similar expenditures which do not contribute directly to the educational process.)

Another measure which is sometimes used, expenditures per teacher, tells the same story of poor educational services in rural areas.



IV. HOUSING

Adequate housing is an important component of successful rural community development. It not only contributes to the well-being of families and individuals, but helps to create a satisfying environment for the whole community.

Over the past two decades, there has been considerable improvement in the housing picture in the United States. Although nonmetro areas, with 20 percent of the population, still have 60 percent of the substandard units, this figure is down from 65 percent in 1950. The number of occupied substandard units in nonmetro areas declined by 7.2 million in 20 years.

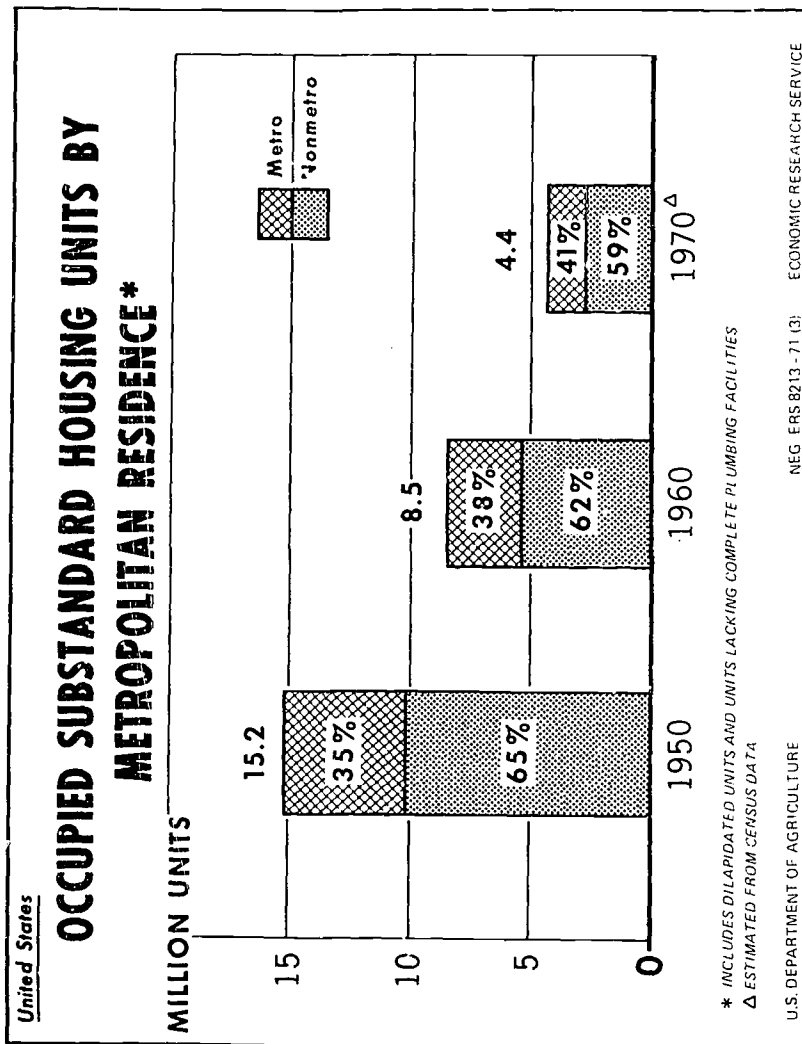
This improvement is closely related to the reduction in number of families with poverty-level incomes and to the fact that in nonmetro areas there were more new housing starts and more renovation than new households formed. During the two decades, 1950-1970, there were 10.1 million new housing units started in nonmetro areas. During this same period, 1.2 million new households were added in nonmetro areas. Thus the 10.1 million new housing units substantially accounted for improvement in housing by replacing 7.2 million substandard houses, providing housing for 1.2 million added households, and taking the place of the 1.7 million lost by fire, demolition, or other causes.

**Occupied Substandard Housing Units by Metropolitan
Residence, 1950-1970**

In 1950, more than one-third of the housing in the United States was substandard. By 1970, this share was down to one-fourteenth—a decline in the number of substandard units in 20 years from 15.2 million to 4.4 million units.

Substandard housing units located outside metropolitan areas declined from 10.1 million occupied units in 1950 to 2.6 million in 1970, whereas in metro areas, the number declined from 5 million in 1950 to about 1.8 million in 1970.

The decline in substandard housing is closely correlated with the rise in family incomes. In 1969, there were 2.5 million families with incomes under \$3,000 in nonmetro areas, and 2.6 million families lived in substandard housing in 1970. In 1959, there were 5.3 million families with incomes under \$3,000, and 5.3 million families lived in substandard housing in 1960.

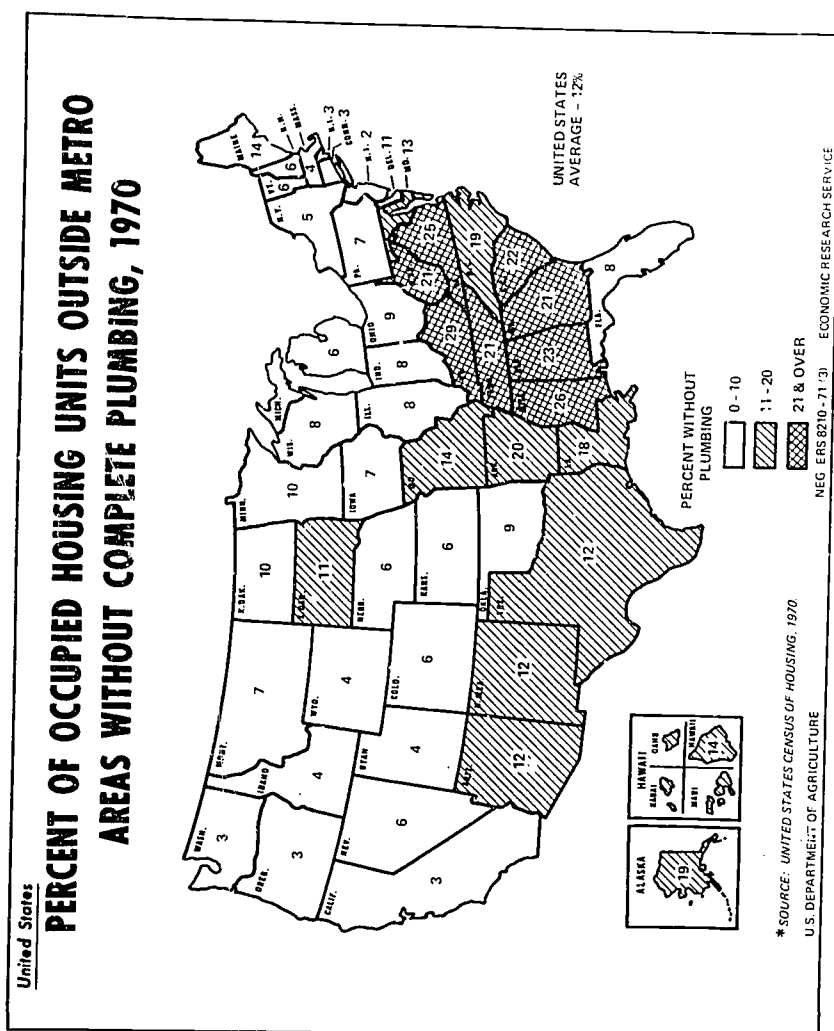


Percent of Occupied Housing Units Outside Metro Areas Without Complete Plumbing, by States, 1970

In 1970, 12 percent of the 19.5 million occupied housing units outside of SMSA's lacked complete plumbing. In comparison, 3 percent of the occupied housing in SMSA's lacked these facilities.

Regional differences are apparent from the map. In the South, 19 percent of the occupied housing units were without adequate plumbing, whereas in the Northeast and West, the percentages were less than 6 percent. The North-Central Region had about 9 percent.

Of all units without adequate plumbing, about two-thirds were located in the South, one-fifth in the North-Central Region and the remainder in the West and Northeast.



**New Housing Units Started—Selected Characteristics:
1960, 1965, and 1970**

Governmental aid for housing construction has increased markedly. In 1970, about 47 percent of the new housing was constructed with governmental help, as compared with 19 percent in 1965 and 30 percent in 1960. Also, the number of housing starts in 1970 increased about 13 percent above the 1960 level.

The South continues to have the largest number of new housing starts, and the housing trend since 1960 has been toward the construction of multiple-type dwellings, which are normally rental units.

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New housing units started—selected characteristics: 1960, 1965, and 1970

[Numbers in thousands]

Characteristic	1960	1965	1970 (preliminary)
Total.....	1, 296	1, 510	1, 465
By area:			
Inside SMSAs.....	889	1, 035	1, 032
Outside SMSAs.....	407	475	433
By region:			
Northeast.....	237	281	224
North Central.....	304	369	300
South.....	441	588	628
West.....	314	271	313
By type of program:			
Privately owned.....	1, 252	1, 473	1, 432
Farmers Home Administration aid.....	3	7	57
Federal Housing Administration aid.....	261	197	432
Veterans' Administration aid.....	75	49	61
Publicly owned.....	44	37	33
In structures with:			
1 unit.....	1, 009	965	814
2 units.....	51	58	48
3 units.....	237	486	603

Source: Statistical Abstract, 1970, Bureau of the Census, table 1082, p. 679; 1970 data from U.S. Department of Commerce Report C 20-71-1 and public agencies.

V. GOVERNMENT SERVICES AND FACILITIES

Attributes of efficient local government are coordinated, streamlined administration and adequate revenue resources. Many State and local governments have been suffering from a plethora of local government units and an inadequate tax base. Problems that develop in the local communities are increasingly beyond their scope and capability to resolve.

The number of general government units is high in rural areas, especially in proportion to rural population, although the number of these units has decreased more than 10 percent in the past 10 years. The number of districts to handle special problems has increased sharply. School districts, however, have decreased dramatically in number, in the effort to consolidate rural schools.

In trying to provide adequate services and facilities, nonmetropolitan communities spend slightly more than metro areas of their revenues in relation to their personal income. State and Federal aid supplement their own resources, but the local base, essentially the property tax, does not keep pace with the increasing demands on it.

Education is the leading function for which local governments spend their tax money. For all services except roads, metro areas spend more than nonmetro areas on a per capita basis. And the gap is widening.

Number of Local Governments by Type and Metropolitan Status, 1957 and 1967

With only about one-fourth of the population, rural areas have three-fourths of the units of government. The number of units of general government—counties, municipalities, and townships—has remained relatively stable. The change in proportions of rural and urban units reflects, in large part, increasing urbanization and consequent expansion of SMSAs.

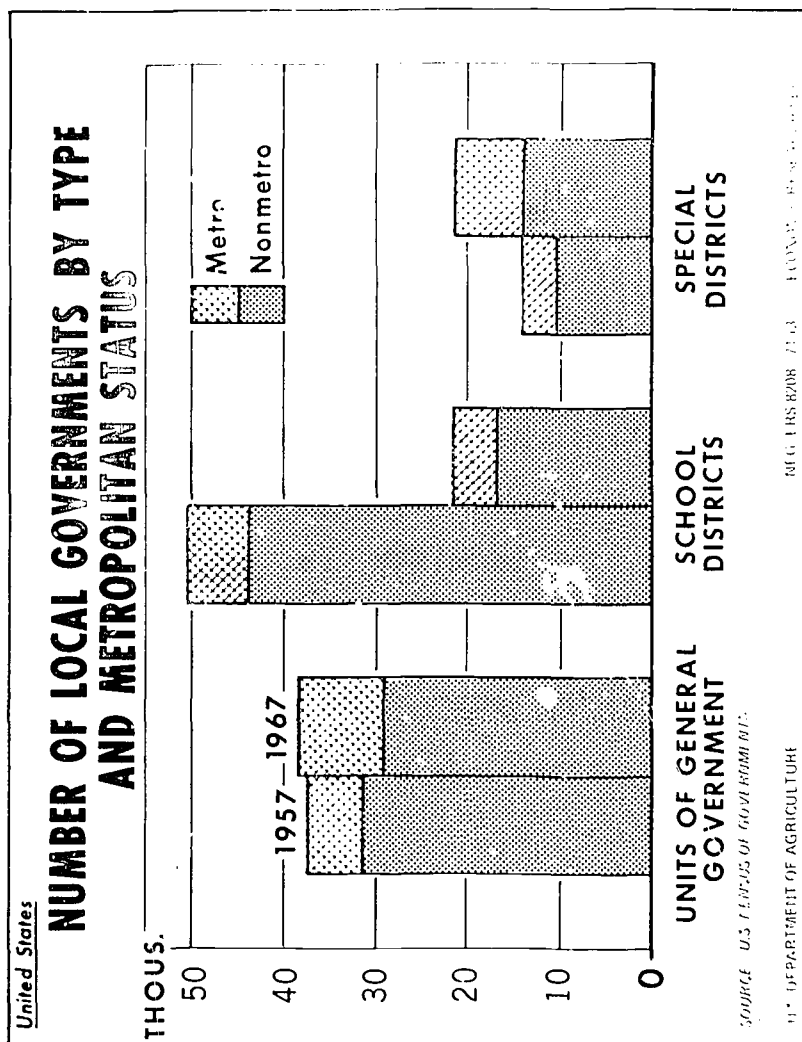
The most significant change in local government structure in the last 10 years has been the decrease in the number of school districts. State governments have been increasingly concerned with the problems of providing quality education, and have vigorously promoted consolidation of school districts.

This concern, however, apparently has not carried over to other types of governments. For example, the number of special districts (a term which includes irrigation and drainage districts, soil conservation districts, water and sewer districts, fire protection districts, cemetery districts, and many other types) has increased sharply.

*Number of local governments by type and metropolitan status, 1957 and 1967*¹

Type of government	Nonmetropolitan		Metropolitan		Total	
	1957	1967	1957	1967	1957	1967
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
Counties.....	2,781	2,645	266	404	3,047	3,049
Municipalities.....	13,761	13,071	3,422	4,977	17,183	18,048
Townships.....	14,881	13,850	2,317	3,255	17,198	17,105
Subtotal units of general govern- ment.....	31,423	29,566	6,005	8,636	37,428	38,202
School districts.....	43,973	16,764	6,473	5,018	50,446	21,782
Special districts.....	11,225	14,215	3,180	7,049	14,405	21,264
Total.....	86,621	60,545	15,658	20,703	102,279	81,248

¹1957 metropolitan status determined according to delineation in use in 1957; 1967 status by 1967 delineation
Source: U.S. Census of Governments.



General Revenue from Own Sources of Federal, State, and Local Governments, 1946 through 1968-69

In the face of rapidly increasing demand for their services, State and local governments have increased their revenues from their own sources about eightfold during the post-World War II period. By contrast, Federal revenues have increased only fourfold.

Nontax revenues, such as charges for specific services provided by local governments, have increased most rapidly. At the State level, they increased sixteenfold.

Perhaps the major inference to be drawn from these data is that State and local governments have not been lax in tapping old revenue sources and finding new ones to meet their rapidly rising needs for money.

General revenue from own sources of Federal, State, and local governments, 1946 through 1968-69
 (Millions of dollars)

Year	General revenue from own sources			Taxes			Other revenue		
	Federal	State	Local	Federal	State	Local	Federal	State	Local
1946.....	43,629	5,419	6,082	36,286	4,937	5,157	7,343	482	925
1950.....	40,061	8,339	9,586	35,186	7,930	7,984	4,875	909	1,602
1955.....	73,162	15,093	16,238	65,226	13,375	12,992	7,936	1,718	3,246
1960.....	87,088	20,618	22,912	77,003	18,036	18,081	10,585	2,583	4,831
1964-65 ¹	106,720	30,610	32,362	93,710	26,126	25,116	13,010	4,483	7,245
1968-69.....	162,845	49,537	45,861	145,996	41,931	34,781	16,848	7,606	11,080

¹ Fiscal years ending July 1, 1964-June 30, 1965.

Source: U.S. Census of Governments.

Per Capita Expenditures of Local Governments for Selected Services, by Metropolitan Status, 1966-67

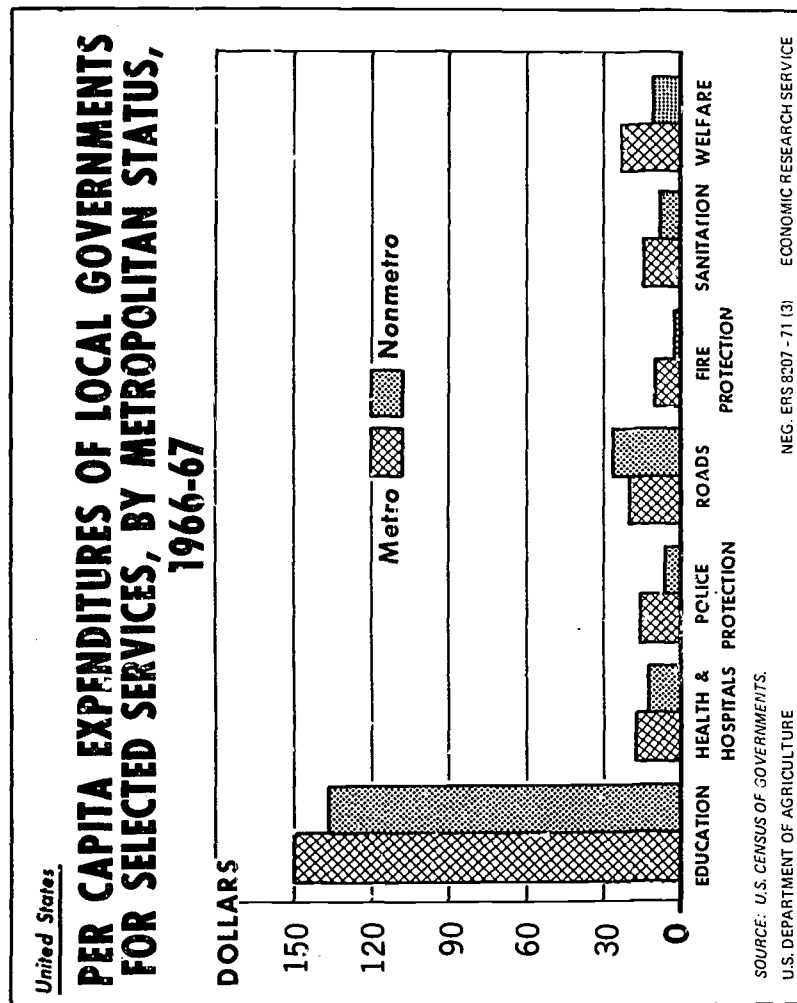
Education stands out as the major function of local governments in the United States. Per capita expenditures on education are slightly lower outside metropolitan areas, as they are for most functions.

Per capita expenditures often are used as a rough indicator of levels of service provided, although they must be used very cautiously for this purpose. The story they tell is a familiar one, the metropolitan communities provide somewhat higher levels of community services than nonmetropolitan communities can afford. Furthermore, the gap may be widening. In 1957, nonmetropolitan communities spent 86 percent as much per capita as metropolitan communities; in 1967, they spent only 74 percent as much.

*Per capita expenditures of local governments for selected services,
by metropolitan status, 1966-67*

Service	Metropolitan	Nonmetropolitan
Education.....	\$150. 35	\$136. 44
Health and hospitals.....	18. 30	13. 70
Police protection.....	16. 73	6. 56
Roads.....	21. 14	26. 77
Fire protection.....	9. 77	3. 46
Sanitation.....	15. 83	7. 03
Welfare.....	24. 17	11. 88

Source: U.S. Census of Governments.

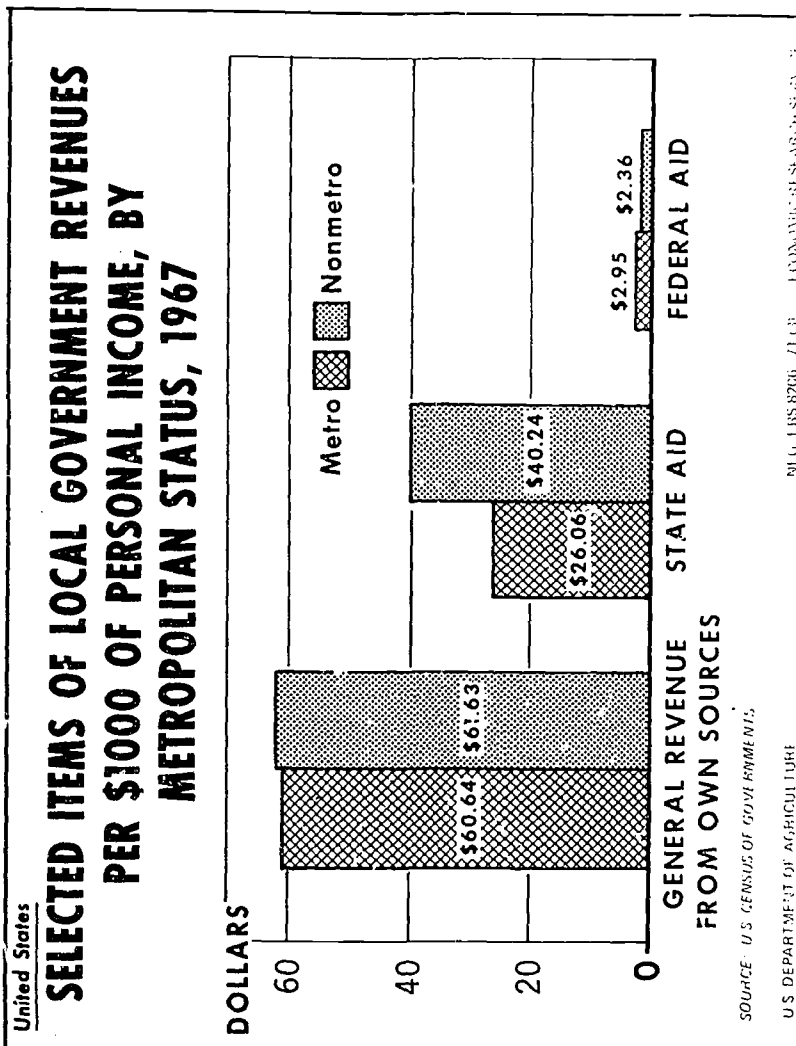


**Selected Items of Local Government Revenues Per \$1,000 of
Personal Income, by Metropolitan Status, 1967**

Nonmetropolitan communities may spend less per capita on local government services, but they allocate slightly more of their incomes to financing these services.

State aids to nonmetropolitan areas partially offset the effects of lower incomes in these areas. Without these aids, local government services would certainly be poorer.

Direct Federal payments to local governments are small and allocated slightly more to metropolitan areas.



Relative Revenue Effort in Individual States, by Level of Government, 1966-67

A recent study by the Advisory Commission on Intergovernmental Relations calculated the rates for an average State-local revenue system in the United States. The Commission then applied these rates to the revenue base in each State, to obtain a measure of revenue capacity.

The accompanying table shows actual State and local revenues as a percentage of this measure of capacity. An index of 100 means that a State has an average revenue effort; an index above 100 means the State "tries harder."

Revenue efforts are variable in different regions of the country. For example, the States of the Rocky Mountains and Far West regions tend to be somewhat above average, but two of them are more than 10 points below average. Minnesota and Wisconsin, among the Midwestern States, are significantly above average, but Illinois and Ohio are below. There is some tendency for the Southeastern States to rank low, but Mississippi is slightly above the average, and most of the remaining States are near average.

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Relative revenue effort in individual States, by level of government, 1966-67

[Percent relation of actual revenue to revenue capacity estimated at national average rates]

States	Total	State government	Local governments
Alabama.....	97	114	80
Alaska.....	106	118	88
Arizona.....	108	118	99
Arkansas.....	89	109	68
California.....	105	96	113
Colorado.....	107	101	114
Connecticut.....	93	87	99
Delaware.....	102	139	62
District of Columbia.....	85	101	70
Florida.....	92	88	96
Georgia.....	98	106	90
Hawaii.....	124	181	70
Idaho.....	108	121	94
Illinois.....	85	73	96
Indiana.....	98	96	100
Iowa.....	104	104	104
Kansas.....	97	94	100
Kentucky.....	93	113	72
Louisiana.....	91	107	70
Maine.....	102	101	103
Maryland.....	102	106	99
Massachusetts.....	112	104	121
Michigan.....	101	108	94
Minnesota.....	116	114	118
Mississippi.....	102	120	84
Missouri.....	90	84	96
Montana.....	95	86	103
Nebraska.....	85	64	100
Nevada.....	77	67	88
New Hampshire.....	84	69	103
New Jersey.....	94	71	117
New Mexico.....	95	114	68
New York.....	126	127	124
North Carolina.....	97	122	70
North Dakota.....	99	98	100
Ohio.....	87	76	97
Oklahoma.....	88	98	76
Oregon.....	101	104	98
Pennsylvania.....	99	100	98
Rhode Island.....	99	97	103
South Carolina.....	100	118	75
South Dakota.....	105	92	118
Tennessee.....	90	99	81
Texas.....	84	75	93
Utah.....	110	124	95
Vermont.....	116	123	108
Virginia.....	95	105	84
Washington.....	102	135	74
West Virginia.....	100	123	73
Wisconsin.....	116	139	95
Wyoming.....	85	78	94

¹Treating all nonproperty taxes as "State" and all property taxes as "local".

Source: "Measuring the Fiscal Capacity and Effort of State and Local Areas," Report M-58, Advisory Commission on Intergovernmental Relations, March 1971.

**Measures of Relative Nonproperty Tax Capacity, for States,
1960 and 1966-67**

Capacity is measured here in terms of the amount of taxes that could be raised if the State imposed a tax system like the average system used by State and local governments in the United States. For technical reasons, it was not possible to include the property tax base in the comparison.

Several conclusions emerge from these data. There has been some tendency toward a narrowing of interstate differences in taxable capacity, but changes in capacity are, by and large, slow. Regionally, the States of the Southeast have gained capacity, but several of the Great Plains and Intermountain States have lost.

Perhaps the most important conclusion is that there are still important differences in the capacity of State and local governments to support adequate public services.

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Measures of relative nonproperty tax capacity, for States, 1960 and 1966-67

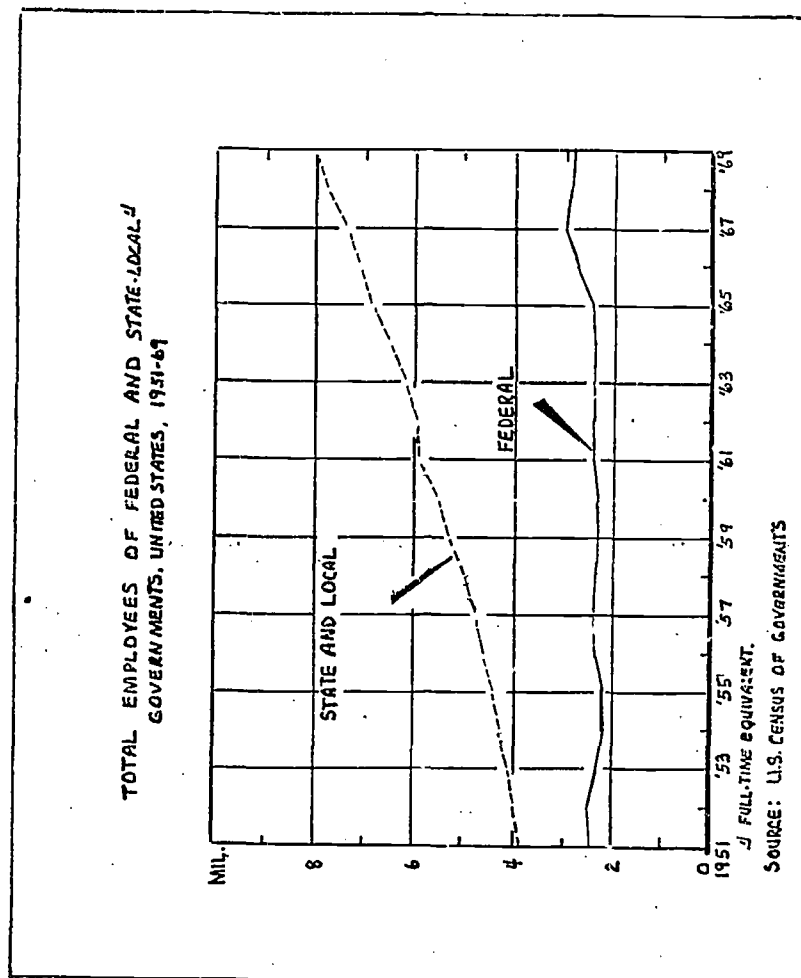
State	Index of per capita capacity (U.S.=100)		
	1960	1966-67	Difference
Alabama.....	69	73	+4
Alaska.....	84	102	+18
Arizona.....	92	95	+3
Arkansas.....	70	79	+9
California.....	119	118	-1
Colorado.....	110	106	-4
Connecticut.....	115	116	+1
Delaware.....	119	120	+1
District of Columbia.....	138	120	-18
Florida.....	100	102	+2
Georgia.....	75	85	+10
Hawaii.....	76	90	+14
Idaho.....	98	95	-3
Illinois.....	112	112	0
Indiana.....	97	102	+5
Iowa.....	96	99	+3
Kansas.....	106	101	-5
Kentucky.....	76	81	+5
Louisiana.....	97	101	+4
Maine.....	85	87	+2
Maryland.....	94	102	+8
Massachusetts.....	101	101	0
Michigan.....	100	105	+5
Minnesota.....	100	99	-1
Mississippi.....	60	67	+7
Missouri.....	102	99	-3
Montana.....	111	103	-8
Nebraska.....	103	104	+1
Nevada.....	149	181	+32
New Hampshire.....	101	112	+11
New Jersey.....	109	107	-2
New Mexico.....	105	100	-5
New York.....	111	103	-8
North Carolina.....	74	81	+7
North Dakota.....	98	98	0
Ohio.....	101	100	-1
Oklahoma.....	102	101	-1
Oregon.....	104	105	+1
Pennsylvania.....	94	93	-1
Rhode Island.....	94	96	+2
South Carolina.....	66	74	+8
South Dakota.....	91	87	-4
Tennessee.....	75	81	+6
Texas.....	113	105	-8
Utah.....	93	86	-7
Vermont.....	88	97	+9
Virginia.....	83	86	+3
Washington.....	103	106	+3
West Virginia.....	78	76	-2
Wisconsin.....	96	94	-2
Wyoming.....	154	143	-11

Source: Ibid.

**Total Employees of Federal and State-Local Governments,
United States, 1951-69**

State and local employment has risen sharply during the post-World War II period, but Federal employment has changed very little. State and local employment in education, health and hospitals, and public welfare has shown particularly strong growth.

These trends mirror the strong upsurge in public demand for services provided by States and by local governments. The steady expansion in this demand, together with revenue sources which tend to remain rather fixed, has led to the present "fiscal crisis" at the State and local levels, and to the strong interest in some quarters in Federal revenue-sharing.



VI. AREAWIDE PLANNING AND DEVELOPMENT DISTRICTS

Multi-county planning and development districts have been designated for a variety of purposes by many different State and Federal agencies. Some of these districts adhere to common boundaries and operate through a single district organization; but many do not. The maps that follow show the locations of local districts organized under a few of these programs.

The final map in the series shows metropolitan and regional clearinghouses established under OMB Circular A-95. It is through these clearinghouses that the Federal government is now seeking to attain a higher order of program coordination. The present network includes over 350 metropolitan and regional (nonmetropolitan) clearinghouses covering nearly one-half of the Nation's counties and about 85 percent of the population.

